

The complaint

Mr H complains that RCI Financial Services Limited trading as Mobilize Financial Services (“RCIFS”) acted unfairly when it wouldn’t allow him to terminate the hire agreement he took out when he acquired a new car.

What happened

The detailed background to this complaint is well known to both parties. So, I’ll only provide a brief overview of some of the key events here.

Mr H acquired a new car using finance provided by RCIFS through a hire agreement he signed on 1 May 2025. He said the vehicle was supposed to be delivered to him on 13 May but it didn’t arrive until 15 May. He then realised the car, which he hadn’t seen before, wasn’t going to be suitable for his family’s requirements. He emailed the broker and RCIFS on 16 May advising them that he wished to cancel the agreement and return the car, based on the 14 day cooling off period.

RCIFS did not agree to terminate the agreement as it considered Mr H had advised it of his wish to cancel after the 14 days had elapsed. It issued a final response. It said Mr H’s cancellation request was submitted after the 14-day cooling off period which meant it was unable to terminate the agreement. RCIFS said Mr H had raised some safety concerns. In response it said the car had been built as per the UK market regarding safety features and performance. Mr H wasn’t satisfied and brought his complaint to this service.

Our investigator considered this complaint but felt it was not one he could uphold. Mr H wasn’t happy with this outcome, so the complaint has been passed to me for a final decision. Mr H made some additional comments to which I have responded below as appropriate.

What I’ve decided – and why

I’ve considered all the available evidence and arguments to decide what’s fair and reasonable in the circumstances of this complaint.

I realise this will come as a disappointment to Mr H but having done so I agree with the conclusions reached by the investigator for the reasons I’ve outlined below.

First, I’ve seen that Mr H has made numerous points in support of his complaint. I know that I’ve summarised it in far less detail and in my own words. I’m not going to respond to every single point made by Mr H. No discourtesy is meant by this. Instead, I’ve focussed on what I think is the crux of the complaint. Our rules allow me to do this and this simply reflects the informal nature of our service. If there’s something I’ve not mentioned, it isn’t because I’ve ignored it. I haven’t. I’m satisfied I don’t need to comment on every individual point to be able to reach what I think is the right outcome.

In considering what is fair and reasonable I need to have regard to the relevant law and regulations, regulator’s rules, guidance and standards, codes of practice and (where appropriate) what I consider having been good industry practice at the relevant time. Mr H’s

hire agreement is a regulated consumer agreement and as such this service can consider complaints relating to it.

Mr H has said that RCIFS is adamant that because its contract is for the supply of services (as opposed to the goods) it is entitled to stick to the terms of the agreement whereby the start date is the date upon which that agreement was first signed.

I've seen a copy of the agreement signed by Mr H. It is a hire agreement which is an agreement allowing the hirer to use the goods (the car) in return for payment to the owner. In these agreements ownership of the goods does not pass to the hirer but remains with the hiring company, in this case RCIFS.

By signing the agreement Mr H agreed to be bound by its terms and conditions.

The hire agreement is regulated by the Consumer Credit Act 1974. But as can be seen at point seven of the key information section of the pre-contract "*The agreement is not cancellable under the Consumer Credit Act 1974.*" This is because the regulations for cancelling the hire of goods for hire agreements is from Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013.

These regulations say that: "a 'service contract' means a contract, other than a sales contract, under which a trader supplies or agrees to supply a service to a consumer and the consumer pays or agrees to pay the price"; and "a 'sales contract' means a contract under which a trader transfers or agrees to transfer the ownership of goods to a consumer and the consumer pays or agrees to pay the price, including any contract that has both goods and services as its object."

There was no transfer of ownership of the car under the hire agreement as it continued to be owned by RCIFS while it was hired to Mr H and he was required to return it at the end of the hire period. I'm persuaded that the hire agreement is a service contract and not a sales contract. The regulations say, "*If the contract is ... a service contract ... the cancellation period ends at the end of 14 days after the day on which the contract is entered into.*"

In Mr H's hire agreement it says:

12. Your right to cancel the hire of the Goods

12.1. You have the right to cancel this agreement under the Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013 within 14 days without giving any reason.

12.2. The cancellation period will expire after 14 days from the date after the conclusion of this contract which will be the date of this Agreement. To meet the cancellation deadline it is sufficient for you to send your communication concerning your exercise of the right to cancel before the cancellation period has expired.

12.3. To exercise the right to cancel you must inform us using the details contained on page one of your agreement of your decision to cancel this agreement by a clear statement sent to us by post or emailing us at XXX. You may use the attached cancellation form, but this is not obligatory. However to ensure that your cancellation is received by us within 14 days of the conclusion of this contract which will be the date of this agreement please send such cancellation by recorded delivery and/or email which will be acknowledged so that you have evidence of sending your cancellation.

12.4. If you cancel this agreement, we will reimburse you all payments received from you. If you cancel this agreement and have already received the goods, we shall arrange a collection an inspection of the goods on such date and at such locations mutually agreed in writing between the parties ("return date").

I'm satisfied that the 14 day cancellation window is explained clearly on the agreement.

Mr H electronically signed the hire agreement on 1 May 2025. Underneath the signature on behalf of RCIFS it says:

"The date of this agreement will be the date of the customer's signature."

The cancellation period would have ended at the end of 14 days after that – but Mr H didn't contact RCIFS to try to cancel the agreement until the 15th day after he'd digitally signed the hire agreement. By then I consider that any right that he might have had to cancel the agreement would have ended. Mr H wouldn't have been able to use the car until after it was delivered to him but I consider the hire agreement is a service agreement and I'm not persuaded that any cancellation period under the regulations would begin when the vehicle was delivered to him. The 14 day right to cancel is attached to the agreement and not the 'goods'. In its submission to this service RCIFS said:

"If the customer is referring to distance selling regulations, then we ensure the vehicle is not delivered to the customer until the 15th day to give the customer relevant 14-day period to complete their own due diligence and withdraw from the sale with no questions should they wish to. As the finance and purchase was agreed on 1 May 2025 the customer had until 15 May to review his purchase decision and request withdrawal up to 15 May."

Mr H expressed concern that sub-clauses 12.5 and 12.6 were omitted from the copy of the hire agreement provided. RCIFS said in response to our query:

"They are the correct terms, but it would appear there is an error in that particular clause (Section 12). For clarity, the clause 12.4 only relates to a vehicle assessment after the vehicle has been collected. This last sentence looks like it should have been removed in its entirety. Section 12.7 should read as section 12.5."

I'm satisfied this error in the terms isn't relevant to Mr H's complaint.

I'm persuaded RCIFS didn't act unfairly when it didn't allow Mr H to cancel the agreement and I won't be asking it to do anything further. I understand Mr H will be disappointed with my conclusions. Nothing in this decision prevents him from pursuing the complaint through the courts. Although of course this would come with other costs and risks.

In its final response RCIFS offered Mr H £225 by way of an apology for the delay in resolving his complaint. It's not clear to me if Mr H accepted the offer. If he would like to accept he should contact RCIFS directly to see if the offer is still available.

My final decision

My final decision is I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 23 March 2026.

Maxine Sutton
Ombudsman