

The complaint

Mr P complains about a motor finance agreement he took out with RCI Financial Services Limited trading as Mobilize Financial Services (RCI). Mr P is unhappy about RCI potentially charging for the motor finance agreement as a result of an undisclosed commission payment between RCI and the broker who arranged the finance agreement.

What happened

Around July 2020 Mr P entered into a regulated hire purchase agreement with RCI, to fund the cost of a new car. The invoice from the dealership shows the total price of the car was £23,902.90. The invoice also shows Mr P paid a deposit of £99 and the remaining £23,803.90 was to be covered by the hire purchase agreement.

The hire purchase agreement also shows a 'Cash price' of £23,902.90, a deposit of £99 and amount of credit of £23,803.90. The interest charges, finance facility fee and option to purchase fee are all shown as £0 and the total amount payable by Mr P was £23,902.90. The duration of the agreement was 37 months.

Mr P complained to RCI about a potential commission payment between RCI and the broker/dealer who arranged the finance agreement. Mr P was not aware of any commission payment and believes he has lost out as a result of this.

Mr P complained to RCI and then referred his complaint to our service. It was considered by one of our investigators and they explained that as the interest rate on Mr P's hire purchase agreement was 0%, he was getting an interest free loan that didn't cost him anything. And that even if the amount of any commission payment or any tied relationship between RCI and the broker was disclosed, they did not consider Mr P would have done anything different. And it was ultimately for these reasons that they did not consider Mr P's complaint should be upheld.

Mr P did not accept the investigator's conclusions and asked for his complaint to be reviewed. In summary, Mr P accepts the interest rate was 0% but believes the broader context of how the agreement was sold is important. He says he was not made aware of the alternative financing options or the potential for a cash purchase. Mr P has referred to the undisclosed commission potentially creates a conflict of interest which could impact the any recommendations. An important part of his rights is to be well informed about the costs and available options, which he believes was not the case.

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.

In deciding what's fair and reasonable in all the circumstances of a complaint, I'm required to take into account relevant law and regulations, regulators' rules, guidance and standards, codes of practice, and, where appropriate, what I consider to be good industry practice at the time. To uphold Mr P's complaint I need to be satisfied Mr P has been treated unfairly or

unreasonably by RCI and RCI's actions have caused Mr P a financial loss.

RCI has indicated that it did pay the broker who arranged Mr P's hire purchase agreement a commission and I have not seen anything in this case to indicate Mr P was made aware of the commission payment at the time of arranging the hire purchase agreement.

Mr P argues that an undisclosed commission can create an unfair relationship and I accept there will be instances where the undisclosed commission does create an unfair relationship. But the non-disclosure is not the sole consideration when determining whether or not there was an unfair relationship and the broader circumstances need to be considered.

The hire purchase agreement in this case shows that Mr P did not incur any charges or interest on the £23,902.90 he borrowed to fund the cost of the car. The agreement refers to the interest charges, finance facility fee and option to purchase fee being £0 and as the investigator has previously set out, Mr P got an interest free loan for the car. Put another way, Mr P was only required to pay the cash price of the car and by taking out the hire purchase agreement with RCI, it cost him nothing more than if he'd paid cash for the car.

The invoice refers to the cash price of the car and I have not seen anything that indicates the price of the car would have been different if Mr P paid cash or used a different form of borrowing to pay for the car. Mr P refers to the overall experience with the dealership and essentially that he was not fully informed. But even if Mr P was told about the commission payment that RCI made to the broker, or further details about the relationship between RCI and the broker, I do not consider Mr P would have ultimately done anything different than proceed with the 0% agreement with RCI. As the interest rate and APR was 0%, Mr P would not have obtained cheaper finance.

Mr P says that he was not told that he could have paid cash for the car but I think it more likely than not that Mr P would have been aware that he could have paid cash for the car if he wanted to. There was no additional cost in finance charges through the 0% APR on the hire purchase agreement with RCI and I again am not persuaded Mr P would have done anything different even if he wasn't actually aware he could have paid cash, or any other type of payment, for the car.

Mr P also refers to the importance of being made aware of the all the costs and available options but as I have set out above, there were no costs associated with taking out the hire purchase agreement when compared to the cash price of the car. The costs, in this case £0, was set out in the hire purchase agreement Mr P signed and I'm satisfied he would have therefore been aware of the absence of any finance costs with his hire purchase agreement. And again, even if Mr P was told about potential alternatives, I'm not persuaded that Mr P would have obtained more preferential terms elsewhere when compared to his zero interest and charges from hire purchase agreement with RCI.

Having considered all of the relevant circumstances of Mr P's complaint, I am satisfied that Mr P didn't suffer a financial loss as a result of RCI providing him with this 0% APR or interest free hire purchase agreement. And it is ultimately for these reasons that I do not consider there any grounds to uphold Mr P's complaint against RCI.

My final decision

My final decision is that I do not uphold Mr P's complaint against RCI Financial Services Limited trading as Mobilize Financial Services

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 19 March 2026.

Mark Hollands
Ombudsman