

The complaint

Mrs K complains about a charge SECURE TRUST BANK PUBLIC LIMITED COMPANY trading as V12 Vehicle Finance (V12) applied after she voluntarily terminated a hire purchase agreement.

What happened

In April 2022, Mrs K acquired a used car through a hire purchase agreement with V12. The car was first registered in May 2013 and it had travelled around 95,840 miles. The cash price of the car and amount of credit was around £7,085. The duration of the agreement was 60 months.

In March 2025, Mrs K voluntarily terminated the agreement. She later complained to V12 about the delay in collecting the car, a missed payment reported to her credit file and a £170 charge for a missing service stamp.

V12 partially upheld Mrs K's complaint. It said a system error had prevented the collection instruction being sent to its third-party recovery agents, which caused the delay and missed payment being reported. It offered Mrs K £100 compensation for the distress and inconvenience caused and amended her credit file. However, it said the £170 charge had been applied fairly, as she was unable to provide evidence that the car had been serviced during her possession.

Unhappy with V12's response, Mrs K referred her complaint to us; the Financial Ombudsman Service (Financial Ombudsman). She confirmed she accepted V12's offer in relation to the delay in collecting the car but didn't agree with the charge for missing services. She said when collecting the car, the recovery agent questioned a missing service stamp from before she acquired the car. She said she was not questioned about missing services for the period the car was in her possession, as her husband had serviced the car and she provided all the invoices to support this to the recovery agent at the time.

Our Investigator reviewed matters and thought the complaint should be upheld. They didn't think V12 had sufficiently evidenced the charge related to missing services while the car was in Mrs K's possession. They said V12 should remove the charge and the adverse information from Mrs K's credit file.

Mrs K accepted the Investigator's findings, but V12 disagreed. In summary, it said Mrs K hadn't evidenced that she's serviced the car since acquiring it, as required.

As no agreement was reached, the matter was passed to me to decide. I issued a provisional decision, setting out my intention to not uphold the complaint. I said:

I think it's important to firstly explain I've read and taken into account all of the information provided by both parties, in reaching my decision. If I've not reflected on something that's been said it's not because I didn't see it, it's because I didn't deem it relevant to the crux of the complaint. This isn't intended as a discourtesy to either party, but merely to reflect my informal role in deciding what a reasonable outcome is. Where evidence has been

incomplete or contradictory, I've reached my view on the balance of probabilities – what I think is most likely to have happened given the available evidence and wider circumstances.

In considering what is fair and reasonable, I've taken into account the relevant industry rules and guidance, and what would be considered as good industry practice. Mrs K acquired the car using a hire purchase agreement. This is a regulated consumer credit agreement which means we are able to investigate complaints about it.

Section 100 of the Consumer Credit Act 1974 (CCA) sets out that when a hire purchase agreement is terminated early by the customer, the lender can apply a charge for costs incurred if the customer hasn't taken reasonable care of the goods. The terms and conditions of Mrs K's finance agreement also stipulate that she needs to have the car serviced in accordance with the manufacturer's recommendations. So, I'm satisfied V12 was entitled to apply a charge if it could demonstrate that Mrs K failed to take reasonable care of the car. I've considered whether it's done so in the circumstances of the complaint.

The British Vehicle Rental and Leasing Association (BVRLA) issues guidance on fair wear and tear standard. This says the car must have been serviced according to the manufacturer's servicing schedule. It also says if a service book is supplied with the car, it must be present and date-stamped by the repairer or workshop as evidence the services have taken place, and all documentation must be intact and present when the car is returned.

The inspection report completed at the point of collection confirms only a partial service history was provided. Mrs K didn't sign the report, as she didn't agree she should be liable for the charge. She says she was told this related to a missing service stamp at 20,000 miles – before she acquired the car. V12 doesn't dispute Mrs K shouldn't be charged for a missing service that pre-dates her agreement. However, it considers the charge to be payable due to missing services since the car was supplied to her – so this is what I've thought about.

On collection, the mileage was confirmed as 124,249. So, Mrs K had the car for nearly three years and travelled nearly 30,000 miles in it during this time. To adhere to the above terms of the agreement, the car required servicing be carried out every 12,000 miles or 12 months, whichever came first. This means the car needed to be service twice while in Mrs K's possession.

An image attached to the inspection report shows a service book entry dated March 2022 with a mileage of 95,840, which the recovery agent says was the most recent record they were provided of a service. Within her testimony to the Financial Ombudsman, Mrs K said, "all other service stamps are in the book right up to 95,840 miles". So, I'm satisfied this was the last entry within the service book.

The recovery agent said no other documentation was provided, but Mrs K disputes this. She says her husband serviced the car throughout her possession as is qualified to do so, and all invoices and paperwork to evidence this was supplied to the recovery agent on collection – so she's unable to reproduce this.

I've carefully considered Mrs K's testimony about her husband's occupation. And having reviewed the images attached to the inspection report, it's clear there is a folder containing documents on the front seat. However, it's not possible to determine what these documents are or what they relate to. I therefore can't be certain Mrs K's husband did carry out the required services based on the evidence available.

Even if I was persuaded Mrs K's husband had serviced the car, and the folder contained invoices for parts, I can't ignore the requirements set out under the BVRLA guidelines – as set out above. It's clear a service book was provided to Mrs K when she was supplied with the car, so there was a requirement that this be date-stamped by the repairer or workshop as evidence the services had taken place. And as I've explained above, I'm satisfied this wasn't done.

So, having considered the available evidence, there is insufficient evidence the car was serviced in line with the manufacturer's recommendations while in Mrs K's possession, as required under the terms and conditions of her agreement. And had the required services been completed, I consider it reasonable to expect Mrs K to be able to evidence this with valid records, specifically a complete and time-stamped service book. I therefore don't find V12 has acted unreasonably by charging Mrs K for the missing service stamps. And considering two services are missing, I don't consider £170 an unreasonable amount.

I know this will come as a significant disappointment to Mrs K, but based on all the above, I don't intend to say V12 should remove the charge or ask it to do anything further.

Responses to my provisional decision

I invited both parties to respond with any further points or evidence they wanted me to consider before I issued my final decision on this complaint.

V12 didn't respond. Mrs K didn't agree. In summary, she said:

- The service light would've been on if the car hadn't been serviced.
- All receipts were provided within the plastic folder shown in the photos provided and can't be reproduced.
- She's been harassed by V12 since referring her complaint to the Financial Ombudsman and it has continued to report missed payments on her credit file.
- She asked V12 if she could pay the outstanding balance and claim it back if the complaint was upheld and she was advised not to pay it.
- She tried to call V12 multiple times to reach an agreement and avoid further impact while the Financial Ombudsman reviewed her complaint. She was promised multiple callbacks which were never received.

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'd like to clarify I've only considered the unresolved complaint Mrs K raised with V12 before it issued its final response letter in June 2025 – which is that she was charged £170 for a partial service history. Any complaints raised beyond this date are new issues that V12 must be given opportunity to address before the Financial Ombudsman can get involved. For this reason, I won't be commenting here on Mrs K's points regarding harassment, advice about payment of the outstanding balance or broken promises to return her calls since she referred her case to the Financial Ombudsman.

Having considered Mrs K's points regarding the car being serviced, I don't doubt the car was maintained by her husband while it was in her possession. However, I don't consider the

service light being off and an image of unidentifiable documents to sufficiently evidence the car was serviced in line with the manufacturer's recommendations – as required by the terms and conditions of her agreement. And as I've explained within my provisional decision, the BVRLA guidelines require any services to be evidenced with a date stamped entry in the service book – which wasn't done here.

So, while I've carefully considered Mrs K's further comments, I've ultimately reached the same overall conclusions about the complaint – for the same reasons. It follows that I don't uphold the complaint and don't require V12 to do anything further.

My final decision

For the reasons I've explained, my final decision is that I don't uphold Mrs K's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs K to accept or reject my decision before 20 March 2026.

Nicola Bastin
Ombudsman