

## **The complaint**

Miss R complains that Mercedes-Benz Financial Services UK Limited (“MBFS”) failed to act fairly and reasonably towards her when entering into a hire purchase agreement with her.

She’s said that MBFS failed to disclose the commission it paid to the broker that introduced her to MBFS and that this created an unfair relationship because of the impact this had on the agreement she took out.

## **What happened**

Miss R also initially complained that the hire purchase agreement was unaffordable for her. However, this complaint has been answered separately and has been upheld. Therefore, this decision is only looking at the commission aspect of her complaint.

In September 2017, Miss R sought finance in order to acquire a used car. The purchase price of the car was £25,388.00. Miss R paid a deposit of £2,000.00 and entered into a hire purchase agreement with MBFS for the remaining £23,388.00.

The agreement had interest charges and fees of £6,785.52. This meant that the balance to be repaid of £30,173.52, not including Miss R’s deposit, was due to be repaid in 48 monthly instalments of £392.99 and a final optional payment of £11,310.00 in order to take ownership of the car. Miss R terminated the agreement early and didn’t pay this full amount.

Miss R’s commission complaint was considered by one of our investigators. They had noted that as Miss R had already had a complaint that she couldn’t afford the agreement to begin with upheld, she’d effectively been placed in the position she would be in had that agreement never existed. So they weren’t persuaded that Miss R had suffered a loss as a result of any commission that may or may not have been disclosed and as a result didn’t recommend that Miss R’s commission complaint should be upheld.

Miss R disagreed with our investigator and the complaint was passed to an ombudsman for a final decision.

## **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.

Having carefully considered everything, I’ve decided not to uphold Miss R’s complaint. I’ll explain why in a little more detail.

Miss R has already had a complaint about the agreement being unaffordable upheld. She explained she’d been through difficult circumstances and I’m sorry to hear that’s the case. As Miss R’s complaint about being unable to afford the agreement, and the impact of this, has already been considered, I won’t be commenting on those circumstances any further as part of this decision and will only be considering the effect, if any, of the commission paid.

I've noted what Miss R has said about the commission MBFS paid to the broker. She says that this was not disclosed to her and this influenced the finance that she ended up with. And she says the redress she was awarded in her unaffordable lending complaint doesn't reflect the commission that MBFS paid to the broker for arranging her agreement. She says her complaint about commission is distinct from her complaint about the agreement being unaffordable and so the redress she received as a result of that complaint doesn't also resolve her commission complaint.

However, Miss R has complained about the impact the commission payment had on what she had to pay on her agreement. Yet Miss R's affordability complaint being upheld means that her hire purchase agreement has effectively been unwound and so there is now no longer an agreement to have been impacted by the commission that MBFS paid to the broker that arranged the finance.

Furthermore, and most importantly, my role here is to determine what's fair and reasonable in all the circumstances of Miss R's complaint. I don't think that it would be fair and reasonable for me to direct MBFS to further compensate Miss R for the effect that any commission may have had on the interest she paid, when she hasn't ultimately had to pay any interest. The result of Miss R's affordability complaint being upheld has seen her being placed in the position she would be in had she simply paid for the use of the car – and not any associated finance costs. So any commission MBFS paid to the broker can no longer impact the finance agreement – as Miss R is now in the position where she hasn't paid any finance charges.

In these circumstances, I'm satisfied Miss R has not suffered a financial loss as a result of any commission.

Overall and having carefully considered everything, I've not been persuaded to uphold Miss R's complaint. I appreciate that this will be disappointing for her. But I hope she'll understand the reasons for my decision and at least consider that her concerns have been listened to.

### **My final decision**

My final decision is that I'm not upholding Miss R's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss R to accept or reject my decision before 20 May 2026.

Scott Walker  
**Ombudsman**