

complaint

Mr T complains about an excess mileage charge that FCE Bank Plc ("FCE") say he is liable for.

background

Mr T obtained a car on hire through FCE. Mr T believes he agreed an annual mileage limit of 12, 000 miles with the dealership and says this is the distance he has always selected on past agreements. FCE rely on the hire purchase agreement signed by Mr T which sets out an annual mileage limit of 9000 miles. As Mr T went over this limit, FCE say he owes £613.80 in excess mileage charges. Mr T disputes this amount.

Our investigator considered the complaint but decided not to uphold it. She thought the information on the signed hire purchase agreement was clear. Mr T disagrees with this view and so the matter has come to me for a final decision.

my findings

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

Under relevant legislation, as the provider of credit FCE has a potential liability for what the dealer told Mr T before he entered the agreement. I've looked at each side's account to decide what I think is most likely to have happened at the time the arrangements were made.

Mr T recalls talking to the dealership and says he would've specified a 12, 000 mileage limit because that is what he needed. He relies on a previous agreement, which shows a 12, 000 mile limit. Mr T does not recall any mention of 9, 000 mileage but does recall talking about reducing the monthly payments. Mr T agrees it is his signature on the hire purchase agreement, but does not recall seeing the 9, 000 mileage limit. Mr T understood that he would be liable for a charge if he drove over the agreed mileage limit.

FCE rely on the mileage section on the face of the hire purchase agreement. They say Mr T agreed to the mileage figure at the time he obtained the vehicle and rely on the agreement he signed. They also rely on a "Key Points Document", which explains the excess mileage charge and would've been given to Mr T at the time of sale.

I can see Mr T specified a 12, 000 mileage limit in his previous hire purchase agreement. But it doesn't automatically follow that he agreed the same terms on this occasion. Mr T relies upon the vehicle order, but I don't think that document helps me because it gives the estimated mileage as 12, not 12, 000. Also the car registration is given as a series of 1's and the order isn't signed by either party.

The hire purchase agreement is more helpful. Mr T accepts it is his signature on the agreement. And I think it's likely it was given to him at or before the point of delivery. The mileage section is on the front page and the limit is underlined. I think it was clear. I've also taken into account that Mr T recalls talking about reducing his payments. So on balance there isn't enough for me to find that he was misled by the dealership. And I'm satisfied that Mr T understood a charge would be payable for any mileage that was over the limit.

Given the above, I don't think it would be fair and reasonable to uphold this complaint. So I won't be asking FCE to do anything differently.

my final decision

I appreciate that Mr T will be disappointed, but for the reasons I've given I am not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 26 September 2016.

Sarah Tozzi
ombudsman