

The complaint

Mrs R is unhappy with how Select Contracts UK Limited trading as Select Car Leasing ('SCL') brokered a hire agreement for a car.

What happened

In August 2021 Mrs R took a hire agreement, brokered by SCL, to acquire a new car.

Mrs R says the agreement should've included a maintenance package. But, around a year after she took the agreement, she said she found out this hadn't been included when she tried to book her car for a service.

Mrs R complained to SCL. It issued its final response in September 2022. This said, in summary, that the order form signed with SCL did indicate that maintenance would be included. And it said having reviewed phone calls from the time, it was made clear to SCL that Mrs R wanted the agreement to include this.

SCL said when the supplying dealer then sent the quote through for the agreement, which SCL presented to Mrs R, due to an error the maintenance package wasn't included. And it pointed out the credit agreement Mrs R later signed made it clear this wasn't the case.

SCL explained as a broker, it couldn't change the terms of the agreement. But, it said due to the error, it would reimburse Mrs R the cost of the car's first service.

Mrs R then referred the complaint to our service. She said the maintenance package should be included with the price agreed at the time. She wanted to be reimbursed for the service she paid for in addition to a set of tyres.

Our investigator issued an opinion. In summary, he said SCL had made a mistake with the information it had passed onto Mrs R. But he said he didn't think she had lost out financially because of this. He said the offer to reimburse Mrs R for the car's first service was fair and reasonable to reflect what happened.

Mrs R disagreed. In summary, she said she wouldn't have taken the finance if she had known it didn't include the maintenance. And she said she had been paying a higher price because of this. Our investigator explained this didn't change his opinion. So, the case has been passed to me to decide.

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 done so, I think the offer SCL has made is fair and reasonable. I'll explain why.

Mrs R complains about brokering of a hire agreement. I'm satisfied a regulated credit broking activity took place here as set out under 36A of The Financial Services and Markets Act 2000 (Regulated Activities) Order 2001. So, I'm satisfied I can consider Mrs R's complaint about SCL.

It's not in dispute here that Mrs R made it clear to SCL that she wanted the hire agreement to include a maintenance package.

Looking at the "*Quotation and Vehicle Form*" from SCL, this says the finance type is "*PCH (Maintained)*" and next to a ticked box says "*By ticking this box, you acknowledge that you are opting for a maintained contract*". And this form contains the same monthly payment that is on the agreement Mrs R later took.

That being said, it is also worth pointing out here that this form does say below this that:

"The funder has the right to change or decline these quotes on receipt of the full proposal"

And it says under "*Your Responsibilities*":

"In order for us to fulfil our responsibilities to you, you must:

Read the documentation we give you and let us know if there is anything that is unclear or that does not represent your requirements"

The hire agreement Mrs R then signed doesn't set out any charges for a maintenance package. And it includes under a heading "*Finance Agreement Type – Contract Hire without Maintenance*" that:

*"As indicated above you have opted **not** to take maintenance services from us for the Term of this Agreement. It is therefore **your** responsibility to arrange and pay for all servicing, maintenance and repairs in accordance with the Manufacturer's recommendations and the Terms and Conditions of this Agreement."*

Thinking about all of this, I think it's clear Mrs R told SCL that she wanted the maintenance package. I'm satisfied SCL gave Mrs R the impression the initial quoted amount included this – albeit with a disclaimer to check details on the agreement. And I'm satisfied when Mrs R then received the agreement itself, this explained maintenance *wasn't* included.

SCL accepts it made a mistake here. And I agree, considering all of the above, that when brokering the credit SCL should've ideally done more to make it clear to Mrs R that the agreement differed to what was initially discussed.

So, what I need to decide here is whether SCL's offer to put things right is fair, or if it needs to do more.

It's worth pointing out that I'm satisfied it's very unlikely Mrs R was ever going to get the hire agreement with the maintenance package included for the same monthly price she agreed to. I think it's much more likely that if the package had been included, Mrs R would've been paying more on a monthly basis. I also haven't seen anything to suggest the same car was available for the same or less money elsewhere, including the maintenance.

Thinking about all of this, and given the likely relatively small difference in monthly cost between the package being included or not, I'm not persuaded by Mrs R's argument that she wouldn't have entered into this agreement had she understood it didn't include maintenance.

While Mrs R said she's been paying more due to this, I haven't seen any evidence this was the case. I haven't, for example, been provided with a breakdown of the monthly maintenance package cost compared to the likely cost of servicing over the term of the agreement.

So, thinking about this, I'm not persuaded Mrs R is financially worse off because of what happened.

But, all of that being said, I do think Mrs R suffered some distress and inconvenience here. Whilst I agree with our investigator that it might have been prudent to check the finance agreement, I think it must have been stressful to realise the package wasn't included when she expected it to be. And I accept this situation would cause some inconvenience as Mrs R will have to find the money and arrange to pay for servicing separately.

Having carefully thought about everything, I think the offer SCL made to reimburse Mrs R the cost of the first service for the car is fair and reasonable to reflect the distress and inconvenience caused.

My final decision

Select Contracts UK Limited trading as Select Car Leasing has already made an offer to put things right on this case by reimbursing Mrs R the cost of the first service for the car.

My final decision is that this offer is fair and reasonable under the circumstances of this complaint.

So, I instruct Select Contracts UK Limited trading as Select Car Leasing, if it hasn't already done so, to reimburse Mrs R the cost of the first service of the car when she provides it with evidence of the amount paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs R to accept or reject my decision before 8 November 2023.

John Bower
Ombudsman