

The complaint

Mr M complains that RCI Financial Services Limited trading as Mobilize Financial Services ("Mobilize") added additional products to his agreement which he did not agree to.

What happened

Mr M acquired a car from a supplying dealership in November 2022. To acquire the car, Mr M took out a hire purchase agreement with Mobilize. Mr M said he also agreed to take out a service plan, which included protection for things such as to the car's paint and to the leather seats in the car. He said he was charged individually for these plans, where separate direct debit payments were taken from his account monthly.

In June 2023, Mr M said he contacted Mobilize to obtain a settlement figure as he intended to acquire a new car. The figure he was given was higher than he expected, and he said he was told it was due to the other plans he had taken out and financed when he acquired the car. Mr M said he was not told that the other plans would be financed and subject to a cost for credit, or that the plans were non-refundable or transferrable.

Mr M complained to Mobilize. Mobilize responded and said, among other things, that Mr M's agreement confirmed the breakdown of the funds borrowed to acquire the vehicle as well as the fixed sum loan taken out for the additional products. And so, they didn't think they needed to do anything further.

Mr M, unhappy with Mobilize's response, referred his complaint to our service. He said he wanted a refund for payments already made to the service plan as it remained unused, and no claims were made against it. He also wanted compensation for the impact this complaint has had on his wellbeing.

Our investigator explained that he wasn't upholding the complaint. In summary, he explained he was satisfied the additional products were listed in Mr M's agreement with Mobilize, which was signed by him. So, he was satisfied Mr M ought to have been aware that the products were taken out with credit at the point of sale.

Mr M disagreed with the investigator's findings. He said, among other things, that he felt he was given misleading information by the salesperson and was not informed at the time that this was a financed service product.

As Mr M disagreed, the complaint was 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.

Mr M has said he was given misleading information by the salesperson when he acquired the car. I can't be sure what was said to Mr M at the time, so I've relied on information and evidence I do have to make my findings.

I have seen a copy of the credit agreement, signed by Mr M. As Mr M signed the agreement, I'm satisfied Mr M had sight of it and had the opportunity to read it carefully. On its first page, there are three columns labelled "*Agreement totals*", "*Part A – Hire Purchase*", and "*Part B – Additional Products Loan*". The column labelled "*Agreement totals*" broke down the total amount of credit taken out, the amount that would be payable on a monthly basis and went on to say,

"Your Repayments under Part A and Part B of the Agreement will be collected by separate direct debits".

The final two columns – "*Part A – Hire Purchase*", and "*Part B – Additional Products Loan*" broke down the duration of the agreements, the amount of credit taken out as well as the monthly instalments that were due.

Considering everything here, I think the agreement was clear in explaining to Mr M that the additional products he was taking out was through credit. I also think the terms of the agreement clearly set out the next steps if an early repayment was to be made in full.

I'm mindful that Mr M would like a refund of payments to the products as he said it has remained unused. However, I don't think it is fair for Mobilize to give a refund in this instance. The products taken out were to protect against damage to certain areas of the car. So, Mr M essentially traded the risk of unexpected and potentially costly problems arising for the certainty of paying a fixed monthly cost. Fortunately, Mr M didn't need to use the plan, but I don't think it follows that payments should be refunded, as Mr M benefitted from the reassurance that the products protected him if he did need to rely on them.

In summary, I don't think Mobilize need to anything in this instance to put things right.

My final decision

For the reasons I've explained, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 15 November 2023.

Ronesh Amin
Ombudsman