

## The complaint

Mr C has complained that he is unhappy with the redress offered by Alphabet (GB) Limited (“Alphabet”) following his complaint about a car he acquired under a contract hire agreement starting in November 2020.

## What happened

Mr C took out a contract hire agreement for a new Skoda on 16 November 2020. The term of the agreement was 36 months. There was an initial rental of £1,260.36 and maintenance charge of £162.36, followed by 35 monthly repayments of £140.04 with additional monthly maintenance charges of £18.04. Mr C extended the agreement for an additional year in August 2023, although I take it that the extension would have come into force at the end of the original term.

Mr C began having problems with the car in mid-2022. He complained to Alphabet about the electrical fault, which was repaired under warranty. Alphabet paid compensation of £200 to Mr C in January 2023. Mr C accepted this compensation and did not bring the complaint to this service. For the avoidance of doubt I cannot consider matters that were the subject of that complaint, as it was resolved and would be outside the time limits that this service has to apply.

The car then broke down again in September 2023, and Mr C said this was related to the earlier fault. He also said that after this the car was returned to the garage for repairs on more than on occasion but broke down afterwards. Mr C again complained to Alphabet, and it responded on 17 October 2023 to say that it was partially upholding his complaint. Alphabet agreed to cover the cost of early termination of the lease, and also offered the following in compensation:

- £36.76 for the time Mr C was without use of the car and where no courtesy car was provided
- £46.92 for the hire car charges incurred
- £225.00 in recognition of the distress and inconvenience caused
- £25.00 as a loss of enjoyment payment because of not having a like-for-like courtesy car
- £10.00 to cover simple interest accrued on these payments (which it said exceeded the amount actually due)

So the amount payable to Mr C was £343.68. This was in addition to the early termination charges which were being covered by Alphabet, and also the earlier payment of £200 for the first complaint. Mr C doesn't feel this level of compensation is enough (and indeed has provided a breakdown of what he feels is appropriate). I understand that Alphabet has paid Mr C the amount noted above. And the car was taken back in October 2023.

As Mr C was unhappy with Alphabet's response, he brought his complaint to this service. Our investigator looked into it but concluded that Alphabet's offer of compensation was fair, so he didn't think the complaint should be upheld. Mr C disagreed, and asked for the complaint to be reviewed by an ombudsman.

## **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've decided not to uphold Mr C's complaint. I'll explain why.

It is accepted that there was fault on the car, so I don't need to comment on whether the car was of satisfactory quality – the only issue here is the level of compensation. As I noted above, I can't comment on the matters that Mr C complained about in January 2023, or the compensation he was awarded then. So I am only considering what happened after the car broke down again in September and October 2023, and whether Alphabet has offered fair compensation in resolving that complaint.

Mr C has made a detailed submission about what happened, and the effect on him and his family in dealing with the car breaking down, which I have read and considered carefully.

In summary, Mr C said that he and his family had missed appointments and had incurred costs because of this. He had had to rely on family and friends for transport, and he had incurred costs in visiting the dealership. He referred to occasions when his family had been stranded at the roadside, including one occasion when his wife and child had been left for over six hours until late at night.

Mr C was also unhappy that, after Alphabet made its offer of compensation, he encountered further difficulties relating to the final handover of the vehicle, in that he said he was left stranded around 20 miles away from his home for over six hours.

After our investigator issued his view that Alphabet's offer of compensation was fair, Mr C responded to say that he felt that:

- The compensation offered didn't cover what happened on collection of the car as it was offered prior to this date.
- The rate used to calculate "days without a vehicle" is insultingly low.
- The points made about waiving termination charges is misleading – he believes he was forced into returning the car as the only way of resolving the situation. It wasn't his preference, and all other routes were denied.

I have taken all of this into account in reaching my decision.

I can see from various emails that Mr C sent in that he asked about a replacement vehicle, but Alphabet said it was unable to do this, although it hasn't explicitly stated the reason. However, I think it is likely that this was because the original term had not yet ended but was about to expire, and I don't think this is unreasonable. I accept that this means that the amount waived is likely to be relatively low, but nonetheless Mr C was able to hand the car back with no further charge.

Mr C said in his own calculation that he was without any car for three days, and otherwise had a courtesy car. I accept that the courtesy cars were not always like-for-like (but on the other hand I can see that a car of a similar specification may not always have been available, and this would not necessarily have been in Alphabet's control). I also appreciate that the breakdowns have been very inconvenient for Mr C and his family, and I accept that the final handover of the car did not go smoothly.

However, taking all this into account, I'm nonetheless satisfied that the payment for distress and inconvenience and loss of enjoyment is in line with the approach that this service would take (even including the events at handover of the car). Alphabet is also refunding the cost of the hire car that Mr C was charged. It has also allowed for interest, which again is in line with our approach. So although I appreciate that Mr C feels very strongly about this, I have concluded that Alphabet's offer is fair and reasonable in the circumstances. I understand that the compensation has already been paid, and I cannot fairly say that Alphabet should pay more. Therefore I am not upholding this complaint.

### **My final decision**

For the reasons given above, I have decided not to uphold Mr C's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 20 December 2024.

Jan Ferrari  
**Ombudsman**