

## **The complaint**

Mr B is unhappy in the way that Mercedes-Benz Financial Services UK Limited trading as Mercedes Benz Financial Services (“MBFS”) communicated with him before his hire purchase agreement came to an end.

### **What happened**

Mr B acquired a car under a 24 month hire purchase agreement with MBFS in March 2022. The car cost around £38,500 with a deposit of around £11,700 paid towards the agreement. Under the agreement, Mr B was required to make 24 payments of £285.86, followed by a final payment of £22,900 if he wanted to keep the car.

In January 2024, MBFS sent a letter to Mr B. The envelope of the letter stated, “*Your finance agreement ends soon. Important information enclosed*”. Mr B complained to MBFS because he was unhappy in the way the envelope was presented. Mr B said he didn’t think it was necessary for the envelope to be printed in a way which informed his postman that his car was on finance. He also said his post was sometimes delivered to his neighbour in error and he didn’t want his neighbour knowing his car finances. He requested that MBFS stop sending him post in this way.

MBFS issued its response to Mr B’s complaint in February 2024. It said it didn’t consider that it had breached any data protection legislation as the information printed on the envelope didn’t contain any personal data. It said it had a responsibility to inform its customers of important decision points throughout their contract. It said it marked the envelope in this way so it couldn’t be mistaken for a circular.

Unhappy with this, Mr B referred his complaint to this service. He reiterated his complaint and said he didn’t want anyone else knowing about his financial arrangements with his car. He said this was a breach of his personal data and that he didn’t want to receive post in this way again.

Our investigator looked into the complaint but didn’t think MBFS had acted unfairly. He said it wasn’t the role of this service to decide if there had been a data breach as this was the role of the Information Commissioner’s Office (“ICO”). He said whilst the wording on the envelope confirmed Mr B had a finance agreement, it didn’t disclose anything further such as the value or terms of the agreement.

Mr B disagreed. He said it didn’t seem right that MBFS could advertise to the world that he had a car on finance.

### **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 B was supplied with a car under a hire purchase agreement. This is a regulated consumer credit agreement which means we’re able to look into complaints about it.

I’ve read and considered the whole file and acknowledge that Mr B has raised a number of points. I’ve concentrated on what I think is relevant. If I don’t comment on any specific point it’s not because I’ve failed to take it on board and think about it – but because I don’t think I

need to comment on it in order to reach what I think is the right outcome. The rules of this service allow me to do this.

In this case, I won't consider whether MBFS breached any data protection legislation as this isn't the role of this service. That is the role of the regulator which is the ICO. I appreciate Mr B feels strongly about this matter as he says he doesn't want anyone else knowing he has a finance agreement. But my role here is limited to whether Mr B lost out as a result of MBFS' actions.

I've reviewed the envelope sent to Mr B by MBFS. Whilst it does imply Mr B has a finance agreement which is coming to an end (the envelope states important information is contained about the addressee's finance agreement and the letter is addressed to Mr B), there is no visible information about his balance, the amount or type of finance he has or any other personal information about Mr B's loan.

MBFS has said it marked the envelope in this way to ensure Mr B understood it wasn't just a circular and that he was expected to take prompt action. To explain, when an agreement comes to an end, if certain steps aren't taken in a timely manner, this can have serious repercussions. For example, a default may be applied to a credit file for six years if a car isn't returned and the balance payment isn't made.

Overall, whilst I think any warning on the envelope could have been presented better, MBFS has made a commercial decision to label its envelopes in a way it believed would best alert its consumers there was a need to consider the content of the letter and that they needed to take action. A commercial decision isn't something this service can get involved with and in any event, I'm not persuaded that Mr B has lost out as a result of MBFS' actions. So it follows that I'm not asking MBFS to do anything further. Having said this, Mr B may wish to refer a complaint to the ICO if he is unhappy with the literature used on MBFS' envelope.

### **My final decision**

My final decision is that I do not uphold Mr B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 29 July 2024.

Sonia Ahmed  
**Ombudsman**