

## **The complaint**

Ms C complains that Lex Autolease Ltd didn't provide the service it should have done after her hire agreement came to the end of its initial term.

## **What happened**

Ms C entered into a three-year hire agreement with Lex Autolease. The finance agreement was due to end in June 2020 when the country was in lockdown due to COVID 19. Ms C says that in May 2020, she hadn't been contacted about the end of her lease and so she contacted the garage and Lex Autolease. She says she was told that Lex Autolease would be in touch. However, in September 2020, Ms C was contacted by Lex Autolease to say her agreement had been placed on an informal extension and she could request a formal extension or vehicle collection. Ms C wasn't happy about her agreement being placed on an informal extension without her agreeing to this and after difficulties in sending and receiving the formal extension contract, she raised a complaint.

Lex Autolease issued its final response letter on 11 January 2021. Ms C says that the final response was uploaded to a portal which when she tried to view it, only showed a blank page. Ms C then began to receive invoices which she thought were incorrect. Ms C says she tried to contact Lex Autolease without success and then in March 2022 received an email from another party asking to discuss her finance agreement. She received further emails and voicemails about this and so she called Lex Autolease and was told the vehicle was going to be repossessed. Ms C raised these additional concerns with Lex Autolease in March 2022 and Lex Autolease issued a second final response letter on 17 May 2022.

In its final response letter dated 17 May 2022, Lex Autolease said that a final response was issued on Ms C's previous complaint, and it wouldn't look to reinvestigate this. In regard to Ms C's comments about not responding to emails it said it had tried to contact Ms C by letter, phone and email and had responded to her emails within a reasonable timeframe. It said that emails sent from its secure portal are encrypted and require a password to be read. It said the password can at times be required to be reset and it upheld this element of Ms C's complaint. It said it hadn't any calls logged between February 2021 and January 2022 for the number it had on file for Ms C. It noted the stress calls and texts about arrears on an account can have but said that as payment hadn't been made it was reasonable it tried to make contact. Due to the partial uphold Lex Autolease said it would send Ms C a cheque for £25.

Ms C referred her complaint to the Financial Ombudsman Service. Our investigator explained that the issues covered in the January 2021 final response letter were out of jurisdiction for this service. He considered the merits of the issues responded to in the May 2022 final response letter.

Our investigator looked at the correspondence between Ms C and Lex Autolease and said it appeared that certain emails hadn't been responded to. He thought that had responses been provided this could have mitigated the build-up of arrears. Because of this he thought Lex Autolease should pay Ms C £100 for the stress and inconvenience caused. He noted the stress caused by the correspondence about the arrears but said that Lex Autolease had a responsibility to inform Ms C of the situation on her account. He said that while Ms C was still disputing the amounts she owed he thought it reasonable she would have made some payment towards the outstanding amounts. Because of this, and the arrears that had built on the account, he didn't think Lex Autolease had done anything wrong by taking further action.

Ms C didn't agree with our investigator's view. She said she was told that the invoices were under investigation and once resolved would be void and she would then be able to pay the formal contract rate which was why she didn't make any payments. She said she kept chasing to try to get a resolution on the arrears so that she could make payments, but she didn't get a response. Ms C said she didn't object to the arrears letters but instead the threatening behaviour of the collection company and that Lex Autolease didn't inform her that her account was being passed to a third party. She said given the length of time this situation was ongoing, the numerous errors made by Lex Autolease and the inaction and incorrect information provided in response to her requests, compensation of more than £100 should be paid.

### **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.

This decision relates to the issues covered in Lex Autolease's final response letter dated May 2022. Ms C has raised several concerns about the service she has been provided with by Lex Autolease following the extension of her lease agreement. While I haven't addressed each point in detail, I can assure Ms C that I have considered all the information provided in making my decision.

I can see the situation on Ms C's account has caused her stress and inconvenience over an extended period of time and I appreciate that she doesn't think the £100 additional compensation recommended by our investigator is sufficient. I have taken Ms C's comments about this into consideration but in this case, I think that the recommended additional £100 is reasonable. I have set out my reasons for this below.

Having looked through the copies of correspondence provided by Ms C, I can see that she was having to chase for replies and that the responses received didn't always provide a clear answer to her questions. I do not find this is the service that should have been provided and had clearer information been given in a timely way this could have resolved this issue sooner. Because of this I think it reasonable that Lex Autolease pay Ms C compensation.

I have considered the upset and inconvenience that has been caused and while I can see Ms C was trying to get information about the amounts she owed, I can also see that she stopped making payments. During this time letters were sent to her advising of the arrears on her account and while I note Ms C's comments about clarifying the amounts due and thinking the invoices may be void, she was aware that she was required to make payments for the use of the car, and she could have made the payments that she considered correct at

the time. This would have reduced the build-up of arrears and the associated actions.

I understand that Ms C was upset by what she considered threatening behaviour by the collections company. As Ms C was in arrears on her account it is reasonable that Lex Autolease will contact her about this, and I cannot say it is wrong for it to use a third party to assist with this. I cannot hold Lex Autolease responsible for the service provided by the third party, but I think Lex Autolease could have done more to explain why Ms C was receiving calls from another party when she asked about this.

Overall, I do not find that Lex Autolease provided the service it should have. But I also think that Ms C could have done more to mitigate this situation by continuing to make payments towards her account given she still had use of the car. Therefore, taking everything into account I think it reasonable that Lex Autolease pay Ms C £100 (additional to the £25 previously paid) for the distress and inconvenience it has caused.

### **Putting things right**

Lex Autolease should pay Ms C a further £100 compensation for the distress and inconvenience it has caused..

### **My final decision**

My final decision is that Lex Autolease Ltd should take the actions set out above in resolution of this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms C to accept or reject my decision before 1 August 2023.

Jane Archer  
**Ombudsman**