

## **The complaint**

Mr J has complained about the quality of a car he acquired using finance provided by Tesla Financial Services Limited.

## **What happened**

In November 2022, Mr J took out finance for a brand new Tesla, and paid a deposit of £19,307. Soon afterwards, he reported a fault, as there was a noise coming from the front. Tesla removed some debris, but the fault persisted, and Mr J asked to reject the car. However, Tesla carried out a further repair, to the condenser fan. As Mr J then took back the car, Tesla says he accepted the repair, so has lost his right, under the Consumer Rights Act 2015, to reject the car within the first 30 days.

Mr J, on the other hand, says he never accepted the car as repaired, and that the issue remains. He's also said there are other problems with the car. Accordingly, he'd like to reject it, and receive a refund.

One of our investigators looked into what happened, and was satisfied that Mr J should be allowed to reject the car and receive his deposit back. He also thought he should be paid £200 compensation.

Tesla disagreed. It said that:

- any defects that arose within the first 30 days were repaired to Mr J's satisfaction, so he no longer has the right to reject;
- it's had further reports from Mr J of a number of minor issues, but none of these are related to the original issue with the condenser fan; and
- it thinks that the noises Mr J can hear are due to the car being electric, so there's no engine to mask other road and mechanical noises. So, the noises don't point to a defect.

The complaint's now 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.

Both parties agree that there was a fault when the car was supplied. This was with the condenser fan. What's in dispute, is whether Mr J accepted the repair, after he asserted his right to reject the car within 30 days.

Taking all of the circumstances into account, I don't think the complaint turns on this. I think that Tesla should have accepted Mr J's request to reject the car. And the fact he picked up the car, simply points to him needing use of a car. However, even if it were the case that he

lost his right of rejection within 30 days, I'm still satisfied that he should now be able to return the car, on the basis it wasn't – and is still not - of satisfactory quality.

Within only a matter of weeks, Mr J has had the issue with the condenser fan. He says the issue remains. Tesla has speculated that any noise may be because it's an electric car. This seems to me to be somewhat unlikely, given Mr J is reporting the same noises as before. So, it is quite possible the repairs failed. But in any event, there have been a number of further issues. Although Tesla may consider these to be minor, they have a cumulative effect, particularly when the car is brand new.

Given the number of issues Mr J has experienced, and continues to experience, so soon after acquiring a brand new car, I'm satisfied that he should be allowed to reject it. I'm also satisfied that Tesla refusing him this option has caused him distress and inconvenience, and I think £200 compensation is fair to reflect this. I don't think he should be refunded any monthly repayments, as he's always had use of the car (save for a three day period when he was provided with another). I accept the issues impaired his use somewhat, but I think the £200 compensation is sufficient to take this into account.

### **Putting things right**

To put things right, Tesla should:

- end the agreement with nothing further to pay;
- collect the car (if this has not been done already), at no cost to Mr J;
- refund Mr J's deposit/part exchange contribution of £19,307, adding 8% simple interest a year, from the date of the payment to the date of settlement;
- pay Mr J £200 compensation for the distress and inconvenience caused; and
- remove any negative information regarding this agreement from Mr J's credit file.

### **My final decision**

It's my final decision to uphold this complaint. I require Tesla Financial Services Limited to take the actions set out above, in the section entitled 'Putting things right'.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 27 July 2023.

Elspeth Wood  
**Ombudsman**