

The complaint

Mr A complained to us that Lex Autolease Limited (“Lex”) charged him for the delayed collection of a car.

What happened

In March 2019 Mr A entered into a hire agreement for a car with Lex. The agreement was to come to an end after 48 months. In January 2023 the agreement was modified so that the mileage was increased. The monthly payments were also increased. And the minimum term was changed to 49 months.

Later in 2023, Mr A got in touch with Lex and arranged for the car to be collected on 20 March. Then Mr A had the car serviced on 8 March. But after this – on 17 March – a warning light came on. Mr A contacted the garage and asked to send the car back in. The garage refused and so he arranged for a roadside assistance firm to come and check it.

Also on 17 March Mr L got in contact with Lex and let it know that there was a problem with a warning light. Lex told him that the car couldn’t be collected when the warning light was on. And there would be a penalty charge if the collection firm arrived and the car couldn’t be taken. So Mr A cancelled the collection. Subsequently the roadside assistance mechanic looked at the car and saw a connection had been left loose, and was able to fix the warning light. Mr A rang Lex back and tried to get the collection rebooked for 20 March 2023. However it was no longer available. So the collection was rescheduled for the following day, on 21 March 2023.

Later, Lex took money from Mr A’s account and when he complained about this Lex told him it was for the hire period from 21 March to 20 April. The amount was £546.17. Mr A was unhappy with this. He said he’d been told on 17 March that he wouldn’t be charged. He said Lex was billing him just to have the car on his driveway for 21 March. He said he would like a refund for the time the car wasn’t in his possession and he really couldn’t afford the cost of paying for two cars for the month.

In April 2023 Lex sent Mr A its final response. It said that during the telephone calls it had not confirmed that the final billing period would end on 20 March; the calls confirmed a lease end date of 20 April 2023. It also said that the billing period was the 21st of the month to 20th of the following month. As such the collection date fell into a new period and the full month was charged as a result. Lex also said in its final response that had the car had been collected prior, with an early termination agreement which had been previously accepted by it, Mr A wouldn’t have been charged for the full rental for the final month.

Lex then said that the rental payment in question was the last monthly contractual payment in a formal agreement extension Mr A had entered into. It said the early return of the car didn’t change that. It apologised for telling Mr A, after the return of the car, that he wouldn’t have been charged if the collection on 20 March 2023 had gone ahead. It offered £25 for this error, as an apology for giving him incorrect information.

Our investigator issued an opinion. He said, in summary, that Mr A modified the hire

agreement in January 2023 and extended it for three months. He found the lease billing period ended on 20 April 2023. He was of the view also that during the telephone calls Lex's representatives told Mr A that the agreement ended on 20 April 2023. In addition, he said the garage wasn't acting as an agent for Lex and therefore Lex wasn't responsible for the refusal of the garage to look at the car on 17 March. Our investigator said that the offer of £25 Lex already made was fair.

Mr A remained unhappy, so the complaint has 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.

Having done so, I think the offer of £25 made by Lex is fair and reasonable in all the circumstances. I'll explain why.

I've looked at this complaint on the balance of probabilities – that is, what I consider is most likely to have happened in light of the available evidence.

Having considered all the available information in relation to this complaint I'm going to focus in this decision on what I think are the crux of the issues. Where I haven't commented directly on something, this doesn't mean I haven't thought about it – rather, this reflects the informal nature of our service.

In January 2023, Mr A asked Lex to amend his agreement. I've been provided with a copy of the resulting modifying agreement. It was for 3 months and it made some changes; for example it increased Mr A's annual mileage allowance from 10,000 to 11,000 miles. In addition, due to this modifying agreement, Mr A extended his loan term overall so that it ended in April 2023. And in paragraph 4(d) of the agreement it stated the hiring would continue until the end of the minimum period. So Mr A was liable for the payments up to the end of the contract.

Next, I've looked at the communication between Lex and Mr A. First I looked at the telephone calls Mr A had with Lex around the problem with the warning light and cancelled collection. Mr A has told us that during the calls he made to Lex on 17 March, he remembers he was told that he wouldn't be charged. I've listened to the recording of these calls. Mr A wasn't told he wouldn't be charged. And during the first and second calls the representatives said to Mr A clearly that he had the car until 20 April 2023. In his responses Mr A didn't seem to pick up on it. I pause here to say that it's evident to me that Mr A had a lot of pressing issues to think about.

Next I've looked at the information Lex gave Mr A whereby - after the return of the car – it told him he wouldn't have been charged if he'd returned it by 20 March. On 5 April 2023 Lex wrote to Mr A and said that:

“...if the vehicle was collected on or before the 20/03/23 a new invoice would not have been raised.”

And in its final response it said:

“The billing periods for the contract are the 21st to the 20th of each month, as such the collection date fell into a new billing period and the full month would be charged as a result. If the vehicle had been collected prior with an early termination agreement which had been previously quoted and accepted the full months rental would not have been charged, as a

result this element cannot be upheld as the final invoice was issued as per contract.”

In responding to this investigation, Lex has stated that this information was wrong. It said:

“I am sorry that Mr A was advised in a subsequent email, 2 weeks after collection had gone ahead, that he would not have been liable for the invoice if collection had gone ahead on the 20th March. This was incorrect but ultimately had no effect on the collection or complaint outcome.”

And for telling him this wrong information Lex offered Mr A £25.

Looking at everything in the round, I don't think that Mr A's decision to return the car in March was caused or influenced by the wrong information from Lex. That information was given to him after he'd already had the car collected. On balance I think it's clear he made that decision because his new car was due to be delivered. I understand he believed that if he returned the car on 20 March 2023 he wouldn't have to pay the final month's rental, but under the modified agreement that wasn't the case. And based on all the information available, I'm satisfied that it wasn't Lex that gave Mr A that impression. So it wouldn't be fair to require Lex to do anything more.

Having carefully considered what is fair and reasonable in this complaint, looking at everything in the round I think that the apology from Lex and its offer of £25 fairly reflects what happened.

Putting things right

I instruct Lex Autolease Limited, if it hasn't already, to pay Mr A £25.

My final decision

Lex Autolease Limited has already made an offer to pay £25 to settle the complaint and I think this offer is fair in all the circumstances. So I instruct Lex Autolease Limited to put things right as set out above.

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

Katrina Hyde
Ombudsman