

## **Complaint**

Mr A has complained about the quality of a car that Tesla Financial Services Limited (“Tesla Financial”) supplied to him through a conditional sale agreement.

## **Background**

In September 2022, Tesla Financial provided Mr A with finance for a brand-new car. The cash price of the vehicle was £58,190.00. Mr A paid a deposit of £9,200.00 and applied for finance to cover the remaining £48,990.00 required.

Tesla Financial accepted Mr A’s application and entered into a 48-month conditional sale agreement with him. The loan had an APR of 3.99%, interest, fees and total charges of £4,094.64. And the balance to be repaid of £51,084.64 (which does not include Mr A’s deposit) was due to be repaid in 48 instalments of £1,105.93.

In January 2024, the car was involved in a collision with a van while Mr A was driving. Estimates provided suggested that it will cost around £2,500.00 to repair this damage. Mr A has said that the dashcam camera on the car recorded the incident, which he also says, showed he wasn’t at fault.

However, after viewing the footage himself, Mr A wasn’t able to retrieve the footage when he went to subsequently show it to his brother. Mr A visited a manufacturer service centre and the USB drive was replaced. Mr A says he was told that the existing hard drive was incorrectly formatted. The manufacturer service centre replaced the hard drive and there’s no suggestion that there has been a fault with the system since then.

However, I understand that the van driver has disputed Mr A’s version of the collision. Mr A subsequently complained to Tesla Financial saying that not having the footage of the incident, as a result of what he believes to be a faulty USB drive, means that he will incur costs to repair the car and Tesla Financial should cover the costs of this consequential loss.

Tesla Financial didn’t uphold Mr A’s complaint. It said that it was possible that the USB drive had been incorrectly formatted, however as Mr A confirmed that he’d reviewed the footage it considered it possible that Mr A hadn’t correctly stored it. Therefore, it didn’t consider that it was responsible for any loss.

Mr A remained dissatisfied at Tesla Financial’s final response and referred his complaint to our service. Mr A’s complaint was reviewed by two of our investigators, they both reached the conclusion that Tesla Financial hadn’t acted unfairly. They both thought that replacing the USB drive was a reasonable remedy, if there had been a fault with it, and Tesla Financial wasn’t responsible for covering repair costs for the car.

Mr A was dissatisfied at this resolution and asked for an ombudsman to consider his case.

## **My findings**

I’ve considered all the available evidence and arguments to decide what’s fair and

reasonable in the circumstances of this complaint.

The finance agreement in this case is a regulated conditional sale agreement, which we are able to consider complaints about. Under the conditional sale agreement, Tesla Financial purchased the vehicle from the dealership Mr A visited. Mr A then hired the vehicle from Tesla Financial and paid a monthly amount to it in return. Tesla Financial remained the legal owner of the vehicle under the agreement until Mr A's loan was repaid.

This arrangement resulted in Tesla Financial being the supplier of Mr A's vehicle and so it is also responsible for answering a complaint about its quality.

Having carefully considered matters, I'm satisfied that I don't need to decide whether the car Tesla Financial supplied to Mr A was of satisfactory quality. I say this because even if the USB drive was faulty at the time the car was supplied (and this meant that the car wasn't of satisfactory quality at this stage) a repair can be an appropriate remedy under The Consumer Rights Act (2015) ("CRA").

Bearing in mind the nature of the issue and Mr A's use of the vehicle, I'm satisfied that a repair would be the most appropriate remedy even if were the case that the car wasn't of satisfactory quality at the time it was supplied. In any event, Mr A is happy to accept the replacement of the USB drive and considers this an appropriate remedy to rectify any fault itself.

However, what Mr A is unhappy about is that he believes that the fault with the USB drive has resulted in him suffering consequential losses and that Tesla Financial should cover these. Mr A has said that he will either have to pay around £2,500.00 himself to repair the car, or the £850 excess on his policy should he make a joint fault insurance claim. He also says that his insurance premiums will increase should he make a claim. Mr A says that he would not incur these costs had the USB drive not been faulty which means that he has consequential losses, as a result of the fault, and that Tesla Financial should cover them.

I've carefully considered everything Mr A has provided and everything he has said. However, I've not been persuaded to uphold the complaint. I'll explain why this is the case in a bit more detail.

In the first instance, I think it's worth me saying is that there is no dispute that the damage Mr A's vehicle has sustained isn't a direct consequence of any fault that may have existed with the USB drive on the car. The damage on the car was sustained as a result of the collision. I think that this is an important distinction for me to make because if the faulty USB drive had been responsible for the damage, I would agree that the cost of it being repaired (whether the repair cost or any claim excess Mr A had to pay) would be a direct loss that it would be fair and reasonable to expect Tesla Finance to cover.

At best, any fault with the USB drive has resulted in Mr A not having the dashcam footage of the collision. Mr A says that having this footage would result in him being able to prove that the other driver was responsible for the collision and therefore being liable for any damage. So he has lost out on the repair costs being covered as a result of the missing footage and this is why this is why has suffered consequential loss as a result of having been supplied with a car that was not of satisfactory quality.

However, while I accept that will Mr A disagree with this, I'm not persuaded that the costs Mr A has referred to are a consequence of any fault with the USB drive. Indeed, I cannot safely and reasonably conclude that Mr A would more likely than not be in a different position had the footage of the collision been available to him.

I say this because I don't know whether Mr A having the footage would have changed things in the way that he says it would. While Mr A has formed his own view on this, it's difficult for me to speculate on what conclusion Mr A's insurer might reach had it reviewed the dashcam footage as part of considering a claim.

I appreciate that Mr A believes that his insurer will have reached that the collision was not his fault had he been able to send it the footage, but it doesn't automatically follow that this is the case. Mr A's insurer will have reviewed any footage that he may have been able to provide. However, it is possible that the insurer might have considered that it was a joint fault collision, even if it had seen the footage.

Furthermore, I think that it's also worth noting that insurers routinely consider insurance claims where dashcam footage, of an incident, hasn't been recorded. Insurers are well versed in determining fault and liability in collisions and do not automatically reach the conclusion that the parties involved in a collision are jointly responsible simply because there isn't a recording of the incident. So it doesn't automatically follow that Mr A's insurer would determine that he is jointly at fault simply because he does not have the dashcam footage of the incident.

The reality of the matter is that it is possible that the missing dashcam footage might have assisted in Mr A demonstrating that the other driver was at fault. But it is also possible that it might not have done so. In these circumstances, I'm not in a position to reasonably conclude that Mr A being able to provide the dashcam footage of the collision would more likely than not have resulted in him not having repair costs. Therefore, I'm not persuaded that Mr A's repair costs are a consequential loss of any fault with the USB drive on the car.

Finally, and for the sake of completeness, I do think it's worth noting that while I appreciate what has been said about the incorrect formatting of the USB drive, in any event, it is not clear to me that the dashcam footage of the incident being unavailable, is a direct result of any formatting issue with the USB drive.

I say this because while the information Mr A has provided suggests that the manufacturer service centre considered that the replaced USB drive had been incorrectly formatted, the full content of those same messages appears to show that the previous USB drive was left with Mr A, because it did have some footage on it. Therefore, it is clear the replaced drive was able to store, at least some, footage irrespective of any formatting issue with it.

I think that this is important because Mr A has said that he was able to view the footage of the collision. As Mr A was able to view the footage of the collision, after the incident, and the previous USB drive did store other footage, I can't rule out the possibility that it was Mr A's actions when viewing the footage, which prevented it from being stored on the USB drive.

So I don't think it is clear that the dashcam footage is unavailable, to assist Mr A, because the USB drive was incorrectly formatted. This is a further reason why I don't think that it is fair and reasonable for me to require Tesla Financial to cover any costs that Mr A will incur in order to repair the car.

I've noted that Mr A has said that Tesla Financial initially offered him up to £300 in compensation. However, this wasn't an offer made as part of the formal complaint process. Furthermore, for the reasons I've explained, I've not been persuaded that Mr A has incurred any additional losses. As this is the case, I'm not in a position to be able to tell Tesla Financial that it should pay Mr A this amount.

Overall and having considered everything, I'm satisfied that the USB drive being replaced was a fair and reasonable resolution to any issues relating to the quality of the car at the

time Tesla Financial supplied it. I've not been persuaded that Mr A has suffered any consequential loss as a result of any fault with the USB drive. Therefore, I'm not requiring Tesla Financial to do anything more or anything further and I'm not upholding this complaint. I appreciate this will be very disappointing for Mr A. But I hope he'll understand the reasons for my decision and that he'll at least feel his concerns have been listened to.

### **My final decision**

For the reasons I've explained, I'm not upholding Mr A's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 26 March 2025.

Jeshen Narayanan  
**Ombudsman**