

The complaint

Mr S complains that Lex Autolease Ltd ('Lex') will not honour an offer it made to him previously.

What happened

The parties are familiar with the background details of this complaint – so I will briefly summarise them here. It reflects my role resolving disputes with minimum formality.

In early 2022 Mr S took out a hire agreement with Lex for a car. However, he complained to it about the quality of the car. In summary, he said he had an accident in the car which was due to faults with the cars safety systems.

In response to Mr S's concerns in February 2023 Lex offered to take the car back and end the lease at no cost to him.

Mr S did not return the car at the time. However, he says that he later experienced financial difficulties which meant he had to terminate the lease with Lex in or around September 2024. Lex applied its usual termination process and charges for this.

Mr S is unhappy that Lex was unwilling to allow him to return the car at no cost in line with the historic offer back in February 2023. In summary, Lex says that since its offer Mr S had continued to use the car – and it was not aware of any further issues experienced with it during that time.

Mr S escalated his complaint about the situation to this service. However, our investigator did not uphold it. The matter has therefore been passed to me for a final decision.

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.

While I might not comment on everything (only what I consider key) this is not meant as a discourtesy to either party – it reflects my role resolving disputes with minimum formality.

In considering what is fair and reasonable, I need to have regard to the relevant law and regulations, regulators' rules, guidance and standards, codes of practice and (where appropriate) what I consider to have been good industry practice at the relevant time.

Firstly, I want to make it clear that I am not looking at a complaint about the quality of the goods as supplied here. That was dealt with separately in a final response letter from February 2023 – and I am not aware that Mr S escalated the matter at the time to this service or otherwise. Furthermore, my role here is not to look at the calculation of any termination amounts by Lex here. Here I am only looking at Mr S's complaint to Lex that it would not allow him to exit the finance agreement at no cost as it had previously offered.

With that said, I ultimately do not consider it fair and reasonable to uphold Mr S's complaint here. I will explain why.

Although Lex made an offer to take the car back and end the finance agreement in February 2023 – it transpires that Mr S chose to keep the car a further 18 months or so – and use it for around an additional 22,000 miles. Furthermore, it appears that until around September 2024 Mr S did not inform Lex that he wished to reject the car in accordance with its offer. I consider Mr S's actions are not consistent with rejection of the car, either in accordance with the Consumer Rights Act 2015, or otherwise. Prima facie, and conversely, I consider Mr S's actions affirmed the existing hire agreement and it would now be unfair to expect Lex to accept rejection on the basis it had previously offered.

I note Mr S says that the reason he kept using the car was because he was waiting on the order of another. I don't have persuasive evidence of this and note that what prompted his termination of the agreement appears to be financial reasons (rather than receipt of a new car). But in any event, if Mr S wished to stay in the car indefinitely and preserve Lex's offer – it would have been reasonable for him to have contacted Lex about this arrangement to see if it agreed. And while Mr S would have wanted use of a car if ordering another – I don't see where he was reasonably prevented from accepting Lex's offer at the time and making other arrangements for transport in the interim.

In making a fair finding here I note there is no persuasive evidence of ongoing faults with the car. Nor, can I see that Lex definitively accepted that the car as supplied was not of satisfactory quality in making its original offer. Furthermore, the fact Mr S continued to use it so extensively raises questions as to the extent of any historic inherent quality issues leading to Lex's original offer.

I note Mr S says Lex's offer was not time limited. However, I also don't consider it reasonable to assume that it would remain indefinitely, or still be available in the particular circumstances presented here. It is also worth noting (in any event) said offer was communicated in a letter that gave Mr S a time limit to refer the matter to this service if he was unhappy with it. Suggesting that time was of the essence in either accepting it or disputing matters further.

In summary, based on what is fair and reasonable in the circumstances I don't consider that Lex has acted unreasonably in refusing to allow Mr S to reject the car and end the finance outside of the usual termination provisions in his hire agreement.

I note more recently Mr S has raised arguments regarding the nature of Lex's offer and whether it amounts to a binding contractual variation. He has also raised the principles of estoppel. I will cover these for completeness and briefly. However, even if I were mistaken about these it doesn't change my findings here in any event based on what is ultimately fair and reasonable in the circumstances.

I don't consider the offer was a binding contractual variation. Because Mr S's actions in response to said offer are consistent with rejection of it. Furthermore, I don't think Mr S is correct as to the application of estoppel here. I don't think he can be considered to have relied on Lex's offer as said 'promise' was not to allow him continued and extensive use of the car and then to reject it at any time of his choosing in the future. Mr S's actions are consistent with rejection of Lex's actual offer, rather than reliance on it.

It is important to underline here that my decision is based on what is fair and reasonable in the particular circumstances. If Mr S considers he has technical arguments as to why Lex should honour the offer it made in February 2023 – then he can reject my decision and consider escalating the matter by a more formal route (such as court).

I am sorry to hear about Mr S's recent financial difficulties. The complaint here is not specifically about Lex's response to these difficulties. However, I remind Lex that it needs to be positive and sympathetic to Mr S in arranging for payment of any outstanding monies in respect of the termination of the hire agreement.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 19 August 2025.

Mark Lancod
Ombudsman