

The complaint

Mr C complains about excess mileage fees he was charged when he settled a hire agreement he held with Lex Autolease Limited ("Lex") early.

What happened

In July 2021, Mr C acquired a car using a hire agreement with Lex. The minimum period of hire was for 48 months, made up of an initial rental of £1,511.86, followed by 47 regular, monthly rentals of £503.95. The annual mileage allowance was 15,000 miles (60,000 miles for the minimum term of the agreement).

In May 2024, Mr C received a quote from Lex through an online portal as he wanted to arrange an early termination of his agreement.

Mr C said that in June 2024, he agreed to the early termination but was surprised when he received an excess mileage invoice higher than he expected. Mr C believed there was a discrepancy in the estimated excess mileage figure he thought would be due after following the termination process on the portal, compared to the final figure Lex eventually gave him.

Mr C's car was collected towards the end of July 2024 and the recorded mileage at the time was 58,747 miles.

Mr C complained to Lex in July 2024 and they issued their final response in August 2024. In summary, Lex said that the quote Mr C accepted was calculated on a term of 48 months, with 12 months outstanding. They said the pro rata contracted mileage based on 12 month's outstanding was 44,959 miles – and so, they thought Mr C needed to pay for the excess mileage of 13,788 miles.

Mr C disagreed with Lex's final response and so referred his complaint to our service. Mr C said that Lex's actions had led to adverse information being recorded on his credit file as he didn't pay the invoice Lex sent him.

Our investigator issued their view where they didn't uphold Mr C's complaint. In summary, the investigator found that Lex applied their terms correctly and believed the calculations they performed to reach the excess mileage fee was correct. Our investigator also thought it was fair that Lex applied a default to Mr C's account in relation to arrears that accrued on his account with them.

Mr C disagreed with the investigator's findings. Mr C also provided a screenshot which he said he took from the portal when he asked for a quote in the prior month. The screen said that if the car is returned in June 2024, then Mr C would be charged excess mileage fees if the car had been driven more than 51,616 miles. Mr C believed this showed that he was given incorrect information when trying to make an informed choice.

As Mr C disagreed with the investigator's outcome, the complaint was 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'm not upholding this complaint and I'll explain why below.

I'm aware I have summarised events and comments made by both parties very briefly, in less detail than has been provided, largely in my own words. No discourtesy is intended by this. In addition, if there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is a fair outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as an alternative to the courts.

Mr C complains about a car supplied to him under a hire agreement. Entering into consumer credit contracts such as this is a regulated activity, so I'm satisfied I can consider Mr C's complaint about Lex.

Firstly, I have reviewed the terms of the agreement Mr C agreed to when he acquired the car in July 2021. Within the agreement, there is a section called "Extra Mileage Charges" where a table was set out. The table showed that there was a charge rate for extra mileage completed on the car. There was also a provision that said:

"... If this agreement terminates before the end of the Minimum Period, we will reduce the Contract Mileage Allowance on a pro-rata basis in order to calculate the extra mileage. For example, if the agreement terminates after two thirds of the Minimum Period has elapsed the Contract Mileage Allowance used in the calculation will be two thirds of the Contract Mileage Allowance..."

So, I think the terms of the agreement were clear in Mr C's obligations if he chose to return the car earlier than expected, and that his mileage allowance would reduce on a pro rata basis.

In this instance, I don't think it is in dispute that Mr C would be charged for some excess mileage here, as he had travelled almost the full contracted mileage allowance in around three-quarters of the term of the agreement. However, Mr C was unhappy as the online portal where he received quotes for early termination from, had suggested that his pro rata mileage was higher than the pro rata mileage Lex eventually calculated. This in turn meant that Mr C was required to pay more in fees than he expected.

While I appreciate Mr C's comments here, I'm mindful that the quotes Mr C received in the portal are estimations – and not finalised, until the car is appraised. I'm also mindful that the agreement Mr C signed are clear in how they would calculate a reduction in the contracted mileage if an agreement ended early. So, considering everything here, I'm satisfied Lex has acted fairly in the calculation they used to calculate the pro rata mileage, as well as in charging Mr C for excess mileage.

Mr C is also unhappy that Lex applied a Default to his credit file in relation to the arrears that had accrued on his account he held with them. It is important that a lender, like Lex, reports accurate information about their customer to a credit reference agency. This is because other lenders may rely on that information when making credit decisions.

In this instance, Mr C was sent arrears letters and a Default Notice by Lex in relation to the arrears that had accrued on his account with them. I haven't seen any evidence to show that Mr C had repaid the arrears that had accrued by the time limits that were set out in the

arrears letters that were sent to him. And so, from what I have seen, I don't think Lex has done anything wrong in reporting the information they had to Mr C's credit file.

My final decision

For the reasons I've explained, I don't uphold this complaint. So, I don't require Lex Autolease Ltd to do anything more here.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 18 August 2025.

Ronesh Amin
Ombudsman