

The complaint

Mr E complains about the way that Tesla Financial Services Limited dealt with his request to transfer to a third party the hire agreement under which a car had been supplied to him.

What happened

A new car was supplied to Mr E under a hire agreement with Tesla Financial Services that he electronically signed in March 2022. He made an advance payment of £4,100 and paid an initial rental of £35.40 to Tesla Financial Services. He also agreed to pay 47 monthly rentals of £530.94 and a final rental payment of £495.54 to Tesla Financial Services.

Mr E contacted Tesla Financial Services about the hire agreement because he was moving overseas and he sent it an email in September 2024 in which he said that he'd like to explore transferring the hire agreement to his friend for the remainder of the term and that he'd already written to Tesla Financial Services four times but had received no response. He complained to Tesla Financial Services later that month about the service that he was receiving and said that he'd sent four emails, with his first enquiry on 10 September 2024, but hadn't received a response.

Tesla Financial Services replied to Mr E on 7 October 2024 and said that it had no issues accepting the transfer but there were some stipulations including a £600 transfer fee. Mr E complained to this service on 23 October 2024 and said that he'd been enquiring for over two months about transferring the hire agreement and had sent more than ten emails to Tesla Financial Services but hadn't received a response.

Tesla Financial Services responded to Mr E's complaint on 14 November 2024. It upheld his complaint and apologised for any mistakes or errors that it had made and said that it was in the process of transferring the hire agreement to the third party. It says that the transfer was completed on 5 December 2024. Mr E then said that his primary complaint is about Tesla Financial Services' failure to respond to him and the second complaint is about the delay in the transfer. He also said that he was seeking a refund of the transfer fee of £600 and £100 compensation.

His complaint was looked at by one of this service's investigators who, having considered everything, didn't recommend that it should be upheld. Mr E said that his complaint was about the fact that he'd tried to contact Tesla Financial Services multiple times over a period of nearly three months by phone and email but was unable to reach it. He also said that he'd not received a refund of £530.94 that he was due from Tesla Financial Services and that he was seeking a refund of £530.94, a refund of the transfer fee and £150 compensation. He then received the refund of £530.94 and the investigator said that she didn't feel that Tesla Financial Services needed to do anything further.

Mr E didn't accept the investigator's recommendation and asked for his complaint to be reviewed by an ombudsman. He says that:

- Tesla Financial Services entered into an agreement to transfer the lease and charged a fee but failed to deliver;

- the investigator failed to acknowledge that the £530.94 refund only occurred after he complained to this service and despite its prior claim that a credit had already been applied to his account; and
- it's recognised that his complaint concerns his inability to contact Tesla Financial Services but that issue hasn't been addressed.

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.

Mr E says that he contacted Tesla Financial Services on 10 September 2024 about a transfer of his hire agreement and he complained to it about the service that he was receiving on 29 September 2024, nineteen days later. Tesla Financial Services replied to him on 7 October 2024 said that it had no issues accepting the transfer but there were some stipulations including a £600 transfer fee.

Mr E complained to this service on 23 October 2024 and said that he'd been enquiring for over two months about transferring the hire agreement and had sent more than ten emails to Tesla Financial Services but hadn't received a response. It's clear from the emails that he sent to Tesla Financial Services that he hadn't been enquiring for over two months and he had received a response from Tesla Financial Services in which it had said that it had no issues accepting the transfer.

Mr E paid the transfer fee and the hire agreement was transferred to the third party on 5 December 2024. Tesla Financial Services says that the transfer was accepted due to the exceptional circumstances provided in Mr E's case and that it isn't something that it usually does. Mr E says that Tesla Financial Services entered into an agreement to transfer the lease and charged a fee but failed to deliver. It's clear that the transfer was completed and, although it took longer for that to happen than Mr E would have wanted, he first contacted it about the transfer on 10 September 2024 and it was completed less than three months later. I don't consider that there's enough evidence to show that Tesla Financial Services unreasonably delayed the transfer or that it would be fair or reasonable in these circumstances for me to require Tesla Financial Services to refund the transfer fee to Mr E.

Tesla Financial Services upheld Mr E's complaint on 14 November 2024 and apologised for any mistakes or errors that it had made. I can see that it responded to Mr E's emails on 7 October and 12 November 2024 and the transfer was completed on 5 December 2024. It's clear that it didn't respond to all of the communications that it received from Mr E and that Mr E was upset when he didn't receive responses, but I'm not persuaded that the mistakes and errors by Tesla Financial Services, for which it has apologised, justify an award of compensation to Mr E.

Mr E has received the refund of £530.94 that was due to him from Tesla Financial Services. The investigator said that the issue with the refund couldn't be added to Mr E's complaint and he'd need to raise it as a separate complaint with Tesla Financial Services. The issue with the refund didn't occur until after Mr E had complained to Tesla Financial Services and to this service so Tesla Financial Services hasn't had an opportunity to respond to a complaint about that issue. I'm therefore unable to make any finding on that issue in this decision, other than to note that Mr E accepts that he's now received that refund.

Mr E clearly feels very strongly that Tesla Financial Services hasn't acted correctly and that it should pay him some compensation so I appreciate that this decision will be disappointing for him. I find that it wouldn't be fair or reasonable in these circumstances for me to require

Tesla Financial Services to refund to Mr E the £600 transfer fee, to pay him any compensation or to take any action in response to his complaint.

My final decision

My decision is that I don't uphold Mr E's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 1 July 2025.

Jarrold Hastings
Ombudsman