

The complaint

Miss H complains that a car supplied to her under a hire agreement with Lex Autolease Ltd was of an unsatisfactory quality.

Reference to Miss H and Lex includes their representatives.

What happened

In June 2021, Miss H was supplied with a new car through a hire agreement with Lex. The term of the agreement was 48 months, with an initial rental payment of £1,022.90 followed by 47 monthly payments of £340.97.

In September 2021, Miss H reported that the dashboard display had started going blank at random intervals – usually after starting the car. The car was returned to the dealership for investigations several times, and a software update was carried out in April 2022 which the dealership said would fix the issue.

In June 2024, Miss H got back in touch with the dealership. She said the problem with the dashboard display had never been resolved and was still happening intermittently. The dealership said replacing the instrument display system should resolve any problems and arranged to do so shortly after. Soon after, Miss H said she was still experiencing problems with the screen and made a complaint. She said the dashboard screen turning off meant she was unable to see the speedometer, which made driving the car dangerous and illegal. She was unhappy that no one would accept responsibility for the problem despite her raising concerns about the car on several occasions. She asked to be compensated, as the car didn't meet her expectations.

Lex said that – as far as it was aware – the problem had been fixed by the dealership in June 2024. It said that if Miss H was still experiencing problems, she'd need to take the car back to the dealership for further investigation. Miss H remained unhappy that no one had accepted responsibility for the problem despite the fact that multiple attempts had already been made to fix it. She provided several videos to show that the fault was still occurring regularly, and felt she'd done enough to show that the car wasn't of satisfactory quality.

The complaint was referred to this service. Our Investigator considered the complaint and upheld it. They were satisfied on balance that the same problem first reported in 2021 was still unresolved – and that the car wasn't of a satisfactory quality when supplied to Miss H. Because the agreement only had two months remaining by that point, they thought the fairest way to put things right was for Lex to refund 5% of the payments Miss H had made when the fault was occurring – up until when the agreement was due to end. Because Miss H didn't tell Lex she was still having problems between May 2022 and May 2024, they didn't think it would be fair to refund any payments during that period. They also recommended that Lex pay Miss H an additional £250 compensation.

Lex accepted the Investigator's recommendations. Miss H agreed with the Investigator's overall conclusions, but didn't think a 5% refund went far enough given the serious and potentially dangerous nature of the fault. Because the parties couldn't agree a resolution, the

complaint has been passed to me to decide.

The hire agreement has since come to an end, and the car was returned in May 2025. I asked our Investigator to contact the parties to let them know that I'd reached the same overall conclusions that they had – but intended to make a slightly different award. I felt a 15% refund of Miss H's payments in the relevant months was a fair reflection of the situation, given that the dashboard and speedometer are a critical component of the car. I also said I intended to require Lex to pay £100 compensation for the distress and inconvenience caused to Miss H – rather than the £250 recommended by our Investigator.

Miss H was disappointed with the reduced compensation award but agreed to accept my proposed resolution. Lex didn't agree that a 15% refund of payments was fair. It said Miss H continued to drive the car from June 2024 until the end of the agreement in May 2025 – covering over 20,000 miles in that time. It didn't think she'd have done this if she had a genuine concern about the car's safety – and didn't think it was fair to say her use of the car was impaired. It didn't agree it was fair to refund approximately £51.15 per month during months where Miss H had significant use of the car.

I've now considered both parties' further comments and have reached a decision on the complaint.

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.

If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome. Where evidence has been incomplete or contradictory, I've reached my decision on the balance of probabilities – what I think is more likely than not to have happened given the available evidence and wider circumstances.

In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and (if appropriate) what I consider was good industry practice at the time. Miss H was supplied with a car under a hire agreement. This is a regulated consumer credit agreement which means I can consider a complaint about it.

The Consumer Rights Act 2015 (CRA) covers agreements such as the one Miss H entered into. Under this agreement, there is an implied term that the goods supplied will be of satisfactory quality. The CRA says that goods will be considered of satisfactory quality where they meet the standard that a reasonable person would consider satisfactory – taking into account the description of the goods, the price paid, and other relevant circumstances. I think in this case those relevant circumstances include, but are not limited to, the age and mileage of the car and the cash price. The CRA says the quality of the goods includes their general state and condition, as well as other things like their fitness for purpose, appearance and finish, freedom from minor defects, safety, and durability.

So, if I thought the car was faulty when Miss H took possession of it, or that the car wasn't sufficiently durable, and this made the car not of a satisfactory quality, it'd be fair and reasonable to ask Lex to put this right.

It no longer appears to be disputed that the car wasn't of satisfactory quality when it was supplied to Miss H – as Lex accepted our Investigator's conclusions about this. But for completeness I'll comment on the matter. The car was brand-new when it was supplied to Miss H, so I think a reasonable person would expect it to be in perfect working order and

free from even minor defects when it was supplied.

I think it's fair to say the car has a fault. Miss H has provided several videos showing the car's dashboard failing to display while the car is running. Miss H provided videos showing the problem occurring as recently as February 2025 – and she said it was still happening when the car was returned three months later. Though software updates appear to have been attempted on at least two occasions, and the display system was later replaced in its entirety, I'm satisfied based on the videos I've seen that the problem wasn't resolved.

Miss H says she initially reported problems with the dashboard in September 2021 – and reported the same issue again a further three times until the software update was carried out in April 2022. I've seen the dealership's repair records, which show the car was returned for repairs in September 2021 and then again in January, February, March and April 2022. The records don't show what issues were reported for all of the returns – but I can see display issues were reported in January and April 2022. Miss H has been consistent that she returned the car to the dealership specifically because of the dashboard problem on multiple occasions before April 2022 – and Lex doesn't appear to dispute this.

Lex initially suggested that the problems Miss H experienced in 2022 and 2024 were unrelated – as two years passed without any problems. Miss H says the problem continued to occur between May 2022 and May 2024 – but she didn't want the inconvenience of having to return the car each time for an intermittent problem. I've considered what's more likely on the balance of probabilities. Taking everything into account, I think it's more likely than not that the faults reported in 2022 and 2024 are due to the same underlying problem. While there's no direct evidence that the fault continued to occur during that period, I don't think it's likely that a new car would experience two identical but unrelated faults with the dashboard intermittently turning off two years apart.

Under the CRA, faults that occur within the first six months of an agreement are assumed to have been present at the point of sale – unless there's evidence to suggest otherwise. In this case, Miss H first reported the fault in September 2021 – around four months after the car was supplied. So, I'm satisfied the car had a fault when it was supplied to Miss H.

The dashboard and speedometer are critical components of the car. I don't think a reasonable person would expect a brand-new car to be supplied with a fault that caused the dashboard to intermittently not display. So, I'm satisfied the car wasn't of satisfactory quality when it was supplied to Miss H.

Putting things right

The hire agreement has now ended and the car has been returned, so it's no longer possible for Miss H to reject it or for it to be repaired or replaced. I've considered how things ought to be put right instead.

Miss H says the problem with the dashboard screen affected her day-to-day enjoyment of the car. She's explained that while the problem wasn't constant, when it occurred the car wasn't safe to drive. She says the issue caused her a great deal of stress over the entire period of the hire agreement.

I agree with our Investigator that as it's no longer possible to reject, repair or replace the car, a partial refund of Miss H's payments is the fairest way to resolve things. Lex was aware by – at the latest – July 2024 that the problem had reoccurred and that Miss H was unhappy with the car. It responded to a further complaint in November 2024 and asked Miss H to return the car to the dealership for further investigation at that point. But the dealership had already attempted to resolve the problem multiple times at that point. While I appreciate Lex

didn't agree at the time that the faults in 2022 and 2024 were related, I think it was reasonably clear that they were for the reasons I've outlined above. So, I can understand why Miss H was reluctant to return the car to the dealership again.

The problem was an intermittent one, and didn't prevent Miss H from using the car entirely. Miss H had use of the car for the entire length of the hire agreement – and I find it fair that she pay for that use. But the dashboard and speedometer are critical components of the car, and it failing to display would have prevented Miss H from using it when the issue was present. I think the dashboard and speedometer turning off seemingly at random would have been a worry for Miss H and naturally impacted her enjoyment of the car. I think a 15% refund of payments is a fair reflection of this loss of enjoyment.

But I also need to consider that Miss H didn't document the problem or make anyone aware of it between May 2022 and May 2024. Had she done so, Lex would have had the opportunity to assist further, either through further investigations or a courtesy car. So, I can't fairly require it to refund any of her payments during that period. Similarly, Miss H reported her initial concern in September 2021 but didn't raise it again until January 2022 – so I won't be requiring Lex to refund any payments during that period either. The fault remained until the car was returned in May 2025 – so any refund should be calculated from when Miss H raised her concerns again in June 2024 until the end of the agreement.

I note Lex's comment that Miss H covered around 20,000 miles between June 2024 and May 2025. Lex also says Miss H seemingly took no action to resolve the issue herself and instead chose to continue driving the car, despite the dealership asking her to contact a roadside assistance service – suggesting that the problem didn't significantly impact her. But in considering whether a refund is appropriate I need to take into account Miss H's overall enjoyment of the car – not just her use of it. While I accept that Miss H had use of the car, I'm satisfied her overall enjoyment of it was impacted. The mileage Miss H covered doesn't affect the inconvenience or worry associated with the intermittent loss of a component as critical as the dashboard.

While Miss H didn't request roadside assistance to recover the car to the dealership again after June 2024, I don't find this unreasonable in the circumstances – as the dealership had already had multiple opportunities to diagnose and resolve the fault but failed to do so. Miss H had also contacted a roadside assistance service on more than one occasion on the dealership's request previously – and had been told they couldn't assist as the car was drivable. Miss H raised two complaints with Lex and escalated her concerns to this service. She also contacted her broker and the manufacturer of the car. So, I don't agree that she didn't take any action to resolve the matter during this time. So, while I've taken Lex's comments into consideration, I remain of the opinion that a 15% refund of payments is appropriate. This reflects the fact that Miss H had use of the car – but that her enjoyment of it was affected by the intermittent fault.

I'm also satisfied that Miss H was put to some inconvenience by the issue beyond her loss of enjoyment in the car, as she had to make multiple trips to the dealership to have it investigated. I also understand she had to contact a roadside assistance service on some occasions on the dealership's suggestion. I think £100 is a fair reflection of this inconvenience taking all of the circumstances into account, so Lex should also pay Miss H that amount. I appreciate Miss H is disappointed that this is less than our Investigator awarded. I don't doubt that the problems she experienced with the car over the years caused her a great deal of frustration and worry – but that's reflected in the refund I'm requiring Lex to pay her for her loss of enjoyment of the car.

So, to put things right I require Lex to:

- Refund 15% of the rental payments Miss H made in September 2021, from January to April 2022 and from June 2024 until the end of the agreement;
- apply 8% simple interest on the above, calculated from the date Miss H made the payments to the date of settlement†; and
- pay Miss H an additional £100 compensation to reflect the distress and inconvenience caused by being supplied with a car that wasn't of satisfactory quality.

†If Lex considers that tax should be deducted from the interest element of my award, it should provide Miss H with a certificate showing how much it has taken off so she can reclaim that amount, if she is eligible to do so.

My final decision

My final decision is that I uphold Miss H's complaint. I require Lex Autolease Ltd to carry out the directions outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 16 October 2025.

Stephen Billings
Ombudsman