

The complaint

Mr M complains that Tesla Financial Services Limited (Tesla) wouldn't allow him to cancel his hire agreement within the 14 day 'cooling off' period. He would like it to do so.

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here. Instead, I will focus on giving the reasons for my 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.

Having done so I have reached the following conclusions: -

- I appreciate Mr M's frustration, he took out an agreement for a new car so could reasonably have expected it to be fault free. However, within days the car had to be returned, the result of which was a new steering rack had to be fitted.
- Once Mr M realised there was an issue there were several options open to him. He had a 14 day 'cooling off' period for the finance agreement, a short term right to reject the car within 30 days or the car could be repaired.
- There is no dispute that Mr M's request to cancel his agreement came just after the 14 day 'cooling off' period. I appreciate Mr M finds this harsh, particularly as for a period he didn't have use of the car whilst the steering rack was replaced. However, this is a standard period in all regulated finance agreements and not one that I can override.
- However, Mr M also had a 30-day short term right to reject the car. This applies when a fault is evidenced, as was the case here. But I haven't seen any evidence he asked to reject the car when he realised there was an issue. Instead, he chose to have the car repaired, in doing so he lost the 30 day right to reject the car
- As our investigator has explained if Mr M has had issues with the repair not working or other issues with the car he can raise a new complaint. To do this, he would need to raise any such issues with Tesla first. If issues have arisen within the first six months of an agreement, we expect a business to look into these, if issues have arisen after six months, then it is Mr M's responsibility to evidence these to Tesla.
- Our investigator recommended, and Tesla accepted, that Mr M receive £150 compensation for the trouble and upset caused. I think this is fair as Mr M had to have the car repaired so shortly after getting it.

My final decision

My final decision is that I uphold this complaint.

In full and final settlement Tesla Financial Services Limited should pay Mr M £150 for the inconvenience caused in having to have his car repaired so soon after getting it.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 6 August 2025.

Bridget Makins
Ombudsman