DRN-5570232

The complaint

Mr D has complained about the quality of a car provided on finance by Lex Autolease Ltd ("Lex").

Mr D has at times been represented by a family member who was also the driver of the car at the time of the events here. But as the agreement was in his name I'll refer to him throughout.

What happened

Both parties are familiar with the events of the complaint which I've briefly summarised here.

Lex supplied Mr D with a new car on a hire agreement in December 2023. The hire agreement required payments of around £660 for a minimum period of 24 months. Mr D paid an advanced rental of around £4,000.

In September 2024 Mr D reported that the car had performed an emergency stop in the middle of a residential road, and it was unclear why this happened. The driver of the car reported injuries and discomfort to herself and the passengers, and Mr D felt the car was unsafe to use.

Mr D contacted Lex who initially referred him to the retailer/manufacturer who I'll call T. Mr D contacted T who performed remote diagnostics, but did not inspect the car in person. It said that no fault could be found.

Mr D complained again to Lex in November 2024. He said he'd had a poor response from T and wanted the car to be inspected in person.

Lex issued its final response in December 2024. It said that it hadn't been given sufficient evidence to show there was a fault and declined to allow Mr D to reject the car.

Mr D referred his complaint to the Financial Ombudsman. He said that the car wasn't safe to use, and he'd had to buy another car, so he was losing out financially. He said that he hadn't received the right support from T and Lex. He'd had to terminate the agreement and was unhappy that he was being asked to pay charges for ending the agreement early.

An investigator here looked at the complaint. She said that there wasn't sufficient evidence that there was a fault which made the car of unsatisfactory quality. She didn't recommend that Lex do anything to resolve the complaint.

Mr D disagreed and asked for an ombudsman to consider the complaint. In summary he said:

- He didn't know what else he could have done in this situation
- Lex didn't help to get a response from T, and it had a duty of care under the contract
- He didn't feel confident to drive the car without it being inspected

- The driver was still suffering with an injury following the incident, and continuing to use the car might have led to an horrific outcome.

The case has been passed to me to make 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.

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

I acknowledge Mr D's strength of feeling, and I've read and considered everything both parties have said, but I've summarised the key points here. 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 informally.

The agreement in this case is a regulated consumer credit agreement. As such, this service is able to consider complaints relating to it. Lex is also the supplier of the goods under this type of agreement, and responsible for a complaint about their quality.

Where the evidence is incomplete or inconclusive (as some of it is here), I reach my decision on the balance of probabilities – in other words, what I consider is most likely to have happened in the light of the available evidence and the wider circumstances.

Firstly, I am very sorry to hear about the difficulties Mr D has described to this service. However, I think it is worth noting at this early stage that I agree with the outcome reached by our investigator, for broadly the same reasons. I know Mr D is unlikely to be happy with this decision. However, my role is to resolve disputes informally. He doesn't have to accept it and may choose (after seeking legal advice as appropriate) to take more formal action against the supplier, such as through a court.

The Consumer Rights Act 2015 (CRA) is of particular relevance to this complaint. It says that under a contract to supply goods, there is an implied term that "the quality of the goods is satisfactory".

The CRA says the quality of goods are satisfactory if they meet the standard that a reasonable person would consider satisfactory taking into account any description of the goods, the price and all the other relevant circumstances. In a case involving a car, the other relevant circumstances might include things like the age and mileage at the time of supply and the car's history.

The CRA says the quality of the goods includes their general state and condition and other things like their fitness for purpose, appearance and finish, freedom from minor defects, safety, and durability.

Although Lex are responsible for whether the car was of satisfactory quality at the point of supply, it isn't responsible for T's actions in dealing with Mr D after the supply of the goods. I can't consider a complaint about what T did after the car was acquired, the customer service provided by it, or its communication.

As a starting point there would need to be some evidence of what the fault was. And secondly, that the fault renders the car of unsatisfactory quality.

The car was new when supplied in December 2023 and Mr D had agreed to pay 24 payments of around £660, and an advance rental, a total of around £19,200. So, I think it's fair to say that a reasonable person would have expected the quality to be high, and that the car wouldn't have had any major problems for quite some time.

Considering the description of the fault and the time that had elapsed since supply, unfortunately the onus was on Mr D to demonstrate that the car was inherently faulty or unsafe to drive. I can see that he's been frustrated in his attempts to get support from T, but as I said, Lex aren't responsible for this.

I can see that Lex also attempted to liaise with T to establish if there was a fault with the car, which was fair for it to do. I can see that it was also frustrated by the limited responses and pursued this as robustly as it could. I can see that T told Lex "*We can confirm the customer has not reached out to our Customer Resolutions team, so we have no communication outside the service visit requested. As the vehicle has not attended any of our locations, we do not have a service invoice to provide you*". T declined to provide the diagnostic directly to Lex, citing data privacy.

Eventually Lex had to rely on what Mr D had told it about the outcome of the diagnostic from T. Lex were able to give Mr D an answer promptly within the time it was allowed, albeit one he was understandably disappointed with. He'd already made the choice to terminate the agreement, independently from the outcome to his complaint, so there's no further opportunity to gather more independent evidence. But ultimately there wasn't sufficient evidence that there was a fault with the car, so I don't think that Lex acted unfairly or should have done more to prove that there was a fault with the car.

I don't dispute Mr D's testimony about what happened, and I've no reason to doubt what he said. I'm not saying that something didn't go wrong. But there isn't sufficient evidence for me to be able to conclude that what happened was as a result of a fault, and not something else. So that means it isn't possible for me to safely conclude that the car wasn't of satisfactory quality when it was supplied.

It's not my role to tell Mr D what he could or should have done in this situation. I appreciate that T is the manufacturer and retailer and likely the expert for this particular type of car. But I can see that it told Lex that options to pursue the matter were available to Mr D directly with it. I'm not sure if Mr D did that, but even if he did follow all the steps available with T and didn't get the support that he needed, it isn't something that I can hold Lex responsible for.

Mr D says he's lost out because he's being asked to pay for early termination and rentals while the car wasn't being driven. There would only be grounds for me to direct Lex to waive any sums if I were persuaded the car wasn't of satisfactory quality. However, Mr D has also indicated he might be unhappy about the process for early termination, the collection of the car and the terms of the agreement which set out the charges. But that doesn't form part of this complaint, so he'll need to contact Lex about that separately, as I'm not dealing with that in this decision.

I appreciate Mr D is unhappy he feels he's lost out. I'm sorry to disappoint Mr D, but without sufficient evidence of a fault which made the car of unsatisfactory quality, I find I don't have the grounds to direct Lex to allow him to reject the car and unwind the agreement.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr D to accept or reject my decision before 3 October 2025.

Caroline Kirby
Ombudsman