DRN-5633469

The complaint

Mr A complains that a car that was supplied to him under a hire purchase agreement with Toyota Financial Services (UK) plc, trading as Lexus Financial Services, was misrepresented to him.

What happened

A new car was supplied to Mr A under a hire purchase agreement with Lexus Financial Services that he electronically signed in April 2024. The price of the car was £64,165, Mr A paid a deposit of £5,100 and he agreed to make one payment of £692.36, 46 monthly payments of £692.34 and a final payment of £26,505 to Lexus Financial Services.

Mr A complained to the dealer about the range of the car later that month and says that the actual mileage achieved was significantly short of what was promised at the time of sale. The dealer updated the car's software but Mr A says that that caused the range to decrease. Mr A complained to Lexus Financial Services but it said that all figures are a benchmark and include a reserve and that the terms and conditions provide comprehensive details regarding the car's performance expectations. It said that it was unable to uphold Mr A's complaint as no fault had been found with the car and it was unable to agree that it had been mis-sold to him, but it offered a goodwill gesture of £25 for its delayed responses.

Mr A wasn't satisfied with its response so complained to this service. His complaint was looked at by one of this service's investigators who, having considered everything, didn't recommend that it should be upheld. She said that she hadn't seen enough evidence to persuade her that a false statement of fact was made during the discussions prior to the supply of the car so she was unable to conclude that a misrepresentation occurred.

Mr A didn't accept the investigator's recommendation and said that he'd like an ombudsman to review his complaint. Hs says, in summary and amongst other things, that:

- he made an informed decision relying on the verbal representation by the dealer and, had he been correctly advised, he wouldn't have proceeded with the purchase;
- it's incumbent upon the dealer to provide complete, transparent, and accurate information, including both best and worst case range scenarios, but only the most optimistic figures were shared, which constitutes a material misrepresentation;
- the WLTP figures are complex and not readily interpretable by the average consumer so the responsibility lies with the dealer to explain such figures in clear and accessible language;
- the evidence that he's provided is from like-for-like months and the car's range hasn't improved following the software upgrade; and
- he wasn't made aware of any known issues affecting the car's head up display, including the need for a delayed software update that significantly impacts battery performance.

He's recently provided a further response in which he says that:

- the car has undergone two software updates intended to address charging and battery performance, but neither has made any improvement;
- the issue isn't related to his driving style or usage patterns as he's owned the car from new, is the sole driver and his driving habits have remained consistent;
- he received guidance that the software updates were expected to improve battery mileage by up to 18%, but there's been no improvement; and
- the highest mileage ever achieved with this car was 229 miles and, since the two updates, the mileage has consistently remained below that figure.

He's provided photos of the car's mileage which he says further confirm that there has been no improvement since the updates were applied which clearly indicates that the issue lies with the battery and car, rather than with his driving habits. He says that the facts clearly demonstrate that this is a technical fault with the car and isn't user-related.

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 A says that he was told by the dealer that the car's range would be more than 250 miles and, whilst I can see that he referred to that when he contacted the dealer after the car had been supplied to him, he's not provided any evidence to show that the dealer told him that the car's range would be more than 250 miles before the car was supplied to him.

Mr A has provided evidence about the car's range from the manufacturer's website which says that the car has a maximum mileage of 271 miles based on a world harmonised light vehicle testing (WLTP) procedure. It also says:

> *"Electric range figures are the maximum official (WLTP) test values provided for comparison purposes, and can vary depending on factors such as selected grade and transmission, accessories fitted (post registration), driving style, weather conditions, speed, vehicle and battery age and vehicle load. Figures obtained after full battery charge. It is best to only compare electric range figures with other cars tested to the same technical procedures. These figures may not reflect your real life driving results".*

Mr A has explained why he considers that the car's range was misrepresented to him and he said in April 2025 that the car's mileage was 26,003 miles, so he's had significant use of the car. The permitted maximum mileage under the hire purchase agreement is 24,000 miles so Mr A has already exceeded that.

If the range of the car was a significant concern for Mr A, as it seems to be, I consider that it would be reasonable to expect him to have conducted more research about the range of electric cars before he agreed for the car to be supplied to him, especially as the price of the car was £64,165 and he'd be making payments for it for four years. I've carefully considered all that he says, but I'm not persuaded that there's enough evidence to show that the dealer made a false statement of fact about the car's range or that Mr A was induced into entering into the hire purchase agreement by a misrepresentation made by the dealer about the car's range.

The car's software has been upgraded but Mr A says that the car's range has been reduced and he's referred to issues with the heads-up-display. The software upgrade took place after the car had been supplied to him so he wasn't induced into entering into the hire purchase agreement by any misrepresentation about the software upgrade. There was no mention in the complaint that Mr A made to this service about any issues with the heads-up-display so I'm unable to consider that issue in this decision. Although Mr A isn't achieving the range from the car that he expected, the car has been seen by the dealer and I've seen no evidence to show that there's a fault with the car.

Mr A has said in his complaint form that the finance agreement prevents him from exercising a cooling-off period. Mr A had the right of withdrawal. The hire purchase agreement says: *"You have a right to withdraw from this Agreement without having to give a reason. The right to withdraw starts on the day this Agreement is made and ends on the expiry of 14 days beginning with the date after that day. To withdraw you must notify us by writing to us … If you withdraw you must repay the Amount of Credit shown above together with interest at the interest rate shown …"*.

I've seen no evidence to show that Mr A contacted Lexus Financial Services to withdraw from the hire purchase agreement within the withdrawal period or that he was prepared to repay the amount of credit (which was shown on the hire purchase agreement as being £59,045) to Lexus Financial Services. I'm not persuaded that there's enough evidence to show that Lexus Financial Services has acted incorrectly in connection with Mr A's right to withdraw from the hire purchase agreement.

It's clear that Mr A feels strongly that his complaint should be upheld, so I appreciate that my decision will be disappointing for him. But I'm not persuaded that he's provided enough evidence to show that he was induced into entering into the hire purchase agreement by a misrepresentation made by the dealer about the car's range or that Lexus Financial Services has acted incorrectly in its dealings with Mr A about the car.

Mr A said in his complaint form that he'd like to return the car, cancel the finance agreement and receive a full refund for any payments made. I don't consider that Mr A's complaint should be upheld, so I find that it wouldn't be fair or reasonable in these circumstances for me to require Lexus Financial Services to allow Mr A to reject the car, to pay him any further compensation or to take any other action in response to his complaint.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 25 September 2025.

Jarrod Hastings
Ombudsman