DRN-5682601

The complaint

Miss M complains about a car supplied to her using a hire agreement taken out with LeasePlan UK Limited ("LeasePlan").

What happened

In February 2021, Miss M acquired a new car using a hire agreement with LeasePlan. The agreement was for a minimum term of 36 months, made up of 35 regular, monthly rentals of £331.58. The advance rental recorded on the agreement was £2,984.22. The permitted annual mileage for the car was 8,000 miles.

Miss M said that over the term of the agreement, she had to return the car to the supplying dealership due to various issues with it, which began shortly after acquiring the car. Miss M said among other things, that the issues she experienced were about:

- warning lights appearing on the car's dashboard.
- camera issues where the images displayed on the car's screen were blurry.
- messages appearing on the car's dashboard in relation to airbags being disabled.
- shaking and smoking coming from the car when it was stationary.
- issues with its hybrid battery and charging facility.

On each of those instances, Miss M said that either temporary repairs were carried out, or she was told there wasn't an issue with the car and as told to drive the car for longer distances.

Miss M said that she asked to have the car replaced early on but this wasn't accepted as LeasePlan told her that all issues had been covered under warranty. LeasePlan eventually agreed to refunded Miss M two monthly rentals as compensation for the issues she experienced in May 2021.

Miss M said issues reappeared from around July 2021 onwards.

Miss M also said she had to take time off work, arrange alternative transport, drive back and forth to the dealership on several occasions, as well as rely on taxis. Miss M said all the issues with the car and the service she received impacted her mental health.

The agreement reached the end of its term and was returned to LeasePlan.

A complaint was raised with LeasePlan in relation to the quality of the car and our service asked LeasePlan to investigate matters.

LeasePlan provided a table which showed the occasions the car was investigated and repaired by the dealership.

Our investigator upheld Miss M's complaint. In summary, our investigator thought there were faults with the car which made it of unsatisfactory quality at the point of supply. To put things right, our investigator instructed LeasePlan to pay Miss M a further £500 for the distress and inconvenience caused.

Miss M didn't agree with the investigator's findings and thought she should be compensated a higher amount than what our investigator instructed LeasePlan to pay. Miss M also supplied a hospital discharge letter from October 2021, as well as provided further commentary as to why she thought the amount should be higher.

LeasePlan accepted our investigator's view.

As Miss M disagreed, the complaint was passed to me to decide.

Our investigator gave Miss M a deadline to send any further information she would like to be considered which would support her complaint and why a higher award should be directed to LeasePlan. Miss M wished to gather further information from the dealership but didn't provide this before the deadline.

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'm upholding this complaint along similar lines to our investigator and I'll explain why below.

I'm aware I have summarised events and comments made by both parties very briefly, in less detail than has been provided, largely in my own words. No discourtesy is intended by this. In addition, if there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is a fair outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as an alternative to the courts.

Miss M complains about a car supplied to her under a hire agreement. Entering into consumer credit contracts such as this is a regulated activity, so I'm satisfied I can consider Miss M's complaint about LeasePlan.

Our service has already issued a decision to Miss M in relation to damage and excess mileage charges incurred in relation to this car and agreement. My decision will not make any further findings about this matter, nor comment on it further. My decision will focus solely on the quality of the car supplied to Miss M.

When considering what's fair and reasonable, I take into account relevant law and regulations. The Consumer Rights Act 2015 ("CRA") is relevant to this complaint. The CRA explains under a contract to supply goods, the supplier – LeasePlan here – has a responsibility to make sure goods are of satisfactory quality. Satisfactory quality is what a reasonable person would expect – taking into account any relevant factors. It's important to point out in this case that the CRA specifically explains that the durability of goods can be considered part of whether they are unsatisfactory quality or not.

I would consider relevant factors here, amongst others, to include the car's age, price, mileage and description. So, it's important to note here that the car Miss M acquired was brand-new and I think a reasonable person would expect it to be in excellent condition, with no faults or issues. And I think they would expect trouble free motoring for a significant period.

What I need to consider is whether the car was of satisfactory quality when it was supplied. And in order to do that, I first need to consider whether the car developed a fault.

Had the car developed a fault?

I don't think it is in dispute that the car had faults in this instance. Miss M has provided significant testimony to describe the issues she faced with the car while it was in her possession. LeasePlan has also supplied a table which gives a brief overview of the times Miss M's car was seen by a dealership since she acquired it. The brief notes from the table suggest that at times no fault could be found, such as with the airbag system. However, on other occasions, faults could be found which required repairs or software updates to be completed.

LeasePlan also has already compensated Miss M for some of the issues she experienced.

So, as it isn't in dispute that the car had faults, I won't consider each issue in turn. But I think it is fair to say there were faults with the car if it had required repairs to be carried out to it.

Was the car of satisfactory quality at the point of supply?

Given the car was brand-new when it was supplied to Miss M, I'm satisfied the car wasn't durable. I wouldn't expect there to be a need to repair items such as the charging socket and the high voltage charger wiring harness so early in the car's lifetime. And so, I'm satisfied a reasonable person would not consider it to have been of satisfactory quality when it was supplied to Miss M.

What LeasePlan need to do to put things right

What I now need to consider is whether LeasePlan needs to do anything to put things right.

Normally, I would go on to think carefully about the remedies available to Miss M under the CRA. Some of the remedies that would be available to Miss M where goods are to be found of unsatisfactory quality at the point of supply, would be a replacement, a repair, or a rejection of the goods.

However, I'm mindful that the agreement has now come to an end and the car has been returned. So, in this instance, there are no goods to replace, repair or reject.

Miss M has explained that it was agreed for LeasePlan to refund her the equivalent of two monthly rentals due to the issues she experienced. But that once the amount was agreed, she continued to have issues with the car.

Considering the mileage of the car when it was returned, I'm satisfied Miss M continued to have use of it during the term of the agreement. And on at least one occasion, Miss M was given a courtesy car as she says. So, I don't think a refund of any further monthly rentals is required.

Having said that, I do still think Miss M should be fairly compensated for issues she experienced with the car while she was in possession.

Miss M has said she was intending to provide further information once she retrieved this from the dealership but hadn't managed to do so before the deadline set by our investigator. I want to reassure Miss M that I have been provided a copy of the repair history of the car, which gives me insight into how this complaint has impacted her. And I'm mindful we are already part-way through August 2025 and this specific complaint has been with our service for some time already. I'm satisfied I have enough information at hand to draw a close to this complaint.

Miss M has explained in length the impact this complaint has had on her. Miss M also said she had to take time off work, arrange alternative transport, drive back and forth to the dealership on several occasions, as well as rely on taxis. I think this goes a significant way to explain the impact this complaint has had on her. Miss M has also supplied some personal medical information which explains her condition at the time she experienced issues with the car.

Thinking about all of this, I'm satisfied Miss M has experienced significant inconvenience and disruption that required a lot of effort on her part to try and sort out. And so, I think a fair way for LeasePlan to resolve things here would be for them to pay Miss M a further £500 for the distress and inconvenience she had suffered because of all the issues with the car. This is in addition to the refund of two monthly rentals Miss M says LeasePlan had already offered.

My final decision

For the reasons I've explained, I uphold this complaint, and I instruct LeasePlan UK Limited to put things right by paying Miss M £500 (in addition to the equivalent of two monthly rentals if this hasn't already been paid) to reflect the distress and inconvenience caused by this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 4 September 2025.

Ronesh Amin
Ombudsman