

## **The complaint**

Mr M complains about charges that Tesla Financial Services Limited ('TFS') have asked him to pay.

## **What happened**

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

In February 2025 Mr M entered into a hire agreement with TFS for the lease of a car. He complained to them that they hadn't made it clear he would need to pay a £200 order fee and £195 for Vehicle Excise Duty (VED).

TFS explained that the order fee was set out in the finance agreement Mr M had agreed to and that the VED was a mandatory requirement, also referenced in the terms of the agreement.

When Mr M referred his complaint to this service our investigator didn't think TFS had been unreasonable.

Mr M asked for a decision by an ombudsman. He said the website said the order fee was included in the price already and that a different finance company didn't charge that fee. He accepted that VED was a statutory charge but felt he should have been provided with a calculation of that prior to delivery and in line with the terms of the contract.

## **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.

I know it will disappoint Mr M, but I agree with our investigator's opinion and for broadly the same reasons. I'll explain why.

Where the information I've got is incomplete, unclear, or contradictory, as some of it is here, I have to base my decision on the balance of probabilities.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point, it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

Mr M acquired his car under a regulated consumer credit agreement and as a result our service is able to look into complaints about it.

## ***The order fee***

Under the Financial Conduct Authority's Consumer Duty, one of the core outcomes is consumer understanding. The idea is that firms must communicate with customers in a way that enables them to make properly informed decisions about financial products or services.

In short that duty requires firms not just to provide information, but to make sure that customers can realistically use that information to make informed and effective decisions about financial products.

I think TFS have met that duty here as I think the information Mr M was presented with was clear. The finance agreement explained that the advance payment of £3,950 comprised an order fee of £200 and a down payment of £3,750. The Motor Vehicle Order Agreement explained:

*"If you paid an Order Fee, we will provide a credit to the final purchase price of your Vehicle equivalent to the amount of the Order Fee you paid."*

TFS have explained that the order fee will be credited back to Mr M if he chooses to purchase the car, so I think the order fee was clearly set out and is being applied in accordance with the terms of Mr M's finance agreement.

While other finance providers may wish to waive the order fee, I don't think it would be fair to suggest TFS need to. That's a commercial decision for them to make.

### **The VED**

I understand that Mr M accepts the VED is a statutory charge. The order form and the finance agreement explain that Mr M will be responsible for paying taxes and by that I think it's fair to say a reasonable person would understand that to cover VED. The October 2024 budget announcement was broad, and suggested VED would be doubled for certain vehicle categories. But the actual VED tables weren't available until March 2025. TFS relies on those published rates to quote VED and when Mr M took receipt of his car they hadn't been published. I don't think it would be fair to expect TFS to insert an estimate and risk being wrong. It's understandable that Mr M feels aggrieved because he ordered before delivery and then faced a significantly higher cost, but I don't think TFS have been unreasonable to recover those increased charges from him and I'm not asking them to take any action.

### **My final decision**

For the reasons I've given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 14 October 2025.

Phillip McMahon  
**Ombudsman**