

The complaint

Mr F complains that a car that was supplied to him under a hire agreement with Leasys UK Limited wasn't of satisfactory quality. Mr F's father is also involved with his complaint.

What happened

I issued a provisional decision on this complaint in October 2025 in which I described what had happened as follows:

"A new car was supplied to Mr F under a hire agreement with Leasys in April 2024. The hire agreement was for a fixed term of 24 months and Mr F agreed to pay an initial rental of £1,734.91 and 23 monthly rentals of £289.15. The car broke down later that month and Mr F initially accepted a repair of the car, which could take several months, but he then wrote to Leasys in June 2024 and said that he wanted to reject the car.

It responded to Mr F in August 2024 and said that as he'd agreed to the repair so it wouldn't be considering rejection, but it offered him a refund of £100 in recognition of the inconvenience that he'd been caused. Mr F wasn't satisfied with its response so he and his father wrote to Leasys a few days later. Mr F's father was told in late August 2024 that the car was ready for collection. Leasys sent a final response letter to Mr F in October 2024 and said that the car was ready for collection and it had offered a refund of three months rentals plus an additional £250 in recognition of any inconvenience caused. The car was then collected by Mr F but he complained to this service in December 2024.

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 Leasys had acknowledged that the car wasn't of satisfactory quality and said that repair was a reasonable outcome, it offered to refund Mr F three monthly rentals and to pay him £250 compensation for any distress and inconvenience experienced and she thought that that was a fair offer.

Mr F didn't accept the investigator's recommendation and has asked for his complaint to be considered by an ombudsman. Mr F's father has provided a detailed response about Mr F's rejection of the car".

First provisional decision

I set out my provisional findings in that provisional decision. I said:

"Leasys, as the supplier of the car, was responsible for ensuring that it was of satisfactory quality when it was supplied to Mr F. Whether or not it was of satisfactory quality at that time will depend on a number of factors, including the age and mileage of the car and the price that was paid for it. The car that was supplied to Mr F was a new car and I consider that it was reasonable for him to expect that it would be free from even minor defects.

There doesn't seem to be any dispute that there was a fault with the car within two weeks of it being supplied to Mr F and both the breakdown service's report and a manufacturer's dealer's job card show that the car's mileage was 343 miles. Mr F says that the car was then delivered to him from the manufacturer's dealer and it stayed on his drive whilst a garage that could complete the repair was being arranged. He says that the car was collected from him about two weeks later and was taken to a manufacturer's dealer. He says that he was advised that there were multiple recalls and the dealer would need time to investigate and that it advised him on 24 April 2024 that the parts order could take "7 days or months". The car hadn't broken down until the end of April and he says that the car wasn't collected until mid May 2024 so I consider that the date to which he's referred should be 24 May 2024 (and not 24 April 2024).

The Consumer Rights Act 2015 gives a consumer the short-term right to reject goods and the time limit for exercising that right is 30 days, but if the consumer requests or agrees to the repair or replacement of goods, that period stops running for the length of the waiting period. The car had been supplied to Mr F in April 2024 and he says that he was advised about the time needed for a parts order on 24 May 2024. That was more than 30 days after the car had been supplied to him so the time limit for exercising the short-term right to reject the car had then ended. Mr F wrote to Leasys by email on 8 June 2024 and said:

"I am writing to inform you that I am cancelling the contract as the car is not fit for purpose. It has been in the garage for close to a month and there is no sign that a fix will happen. I therefore have no choice but to cancel the agreement".

I've seen no evidence to show that Mr F said that he wanted to reject the car before that email and I don't consider that Mr F had the short-term right to reject the car in June 2024. Leasys treated the email from Mr F as a complaint and responded to it in August 2024. It said that as Mr F had agreed to the repair, it wouldn't be considering rejection.

The Consumer Rights Act also gives a consumer a right to require the trader (in this case Leasys) to repair or replace the goods but it must: "... do so within a reasonable time and without significant inconvenience to the consumer". The car that was supplied to Mr F was a new car, it broke-down in April 2024 soon after it had been supplied to Mr F, and he was told in May 2024 that the required parts could take months to order. I don't consider that it would be reasonable to expect a repair of a new car to take months to complete. Mr F was told at the end of August 2024 that the car had been repaired, and that was four months after it had broken down. Mr F said on 8 June 2024 that he was rejecting the car and, as Leasys was unable to show that the repair would be completed within a reasonable time, I consider that it should have accepted Mr F's request to reject the car at that time.

Mr F's father says that the car was collected, and I can see that the earliest that that could have happened was 24 October 2024. As I consider that Leasys should have accepted Mr F's request to reject the car on 8 June 2024, I consider that Leasys should now accept Mr F's rejection of the car. I find that it would be fair and reasonable for Leasys to end the hire agreement and arrange for the car to be collected from Mr F, both at no cost to him. Mr F only had use of car for about two weeks before it broke-down but he says that he was then provided with a courtesy car. As Mr F had use of either the car or the courtesy car for the period from when the car was supplied to him until he rejected the car on 8 June 2024, I consider that

it's fair and reasonable for Leasys to keep the payments that he made under the hire agreement for that period. Mr F has also been able to use the car since it was collected after 24 October 2024 and I consider that it's fair and reasonable for Leasys to also keep the payments that he made under the hire agreement for the period since he collected the car.

I find that it would be fair and reasonable for Leasys to refund to Mr F the payments that he made under the hire agreement for the period from when he rejected the car on 8 June 2024 until he collected the car after 24 October 2024, and to pay interest on the refunded amounts. The total amount payable by Mr F under the hire agreement was £8,385.36 and I consider that the refund to be made to Mr F should be based on a monthly payment of one twenty-fourth of £8,385.36.

These events will have caused distress and inconvenience for Mr F. In its October 2024 final response letter to Mr F, Leasys offered to pay him £250 in recognition of any inconvenience caused. I consider that to be fair and reasonable compensation for the distress and inconvenience that Mr F has been caused. If Leasys hasn't already paid that compensation to Mr F, I find that it would be fair and reasonable for it to now also pay him £250".

Second provisional decision

Following Mr F's father response to my first provisional decision, I issued a second provisional decision last month in which I set out my revised provisional findings. I said:

"I've carefully considered what Mr F's father has said, in response to my provisional decision, about the short-term right to reject. There doesn't seem to be any dispute that a new car was supplied to Mr F in April 2024, it broke down less than two weeks later and, as I said in my provisional decision, it stayed on Mr F's drive whilst a garage that could complete the repair was being arranged. Mr F's father says that the dealer and Leasys were advised of the breakdown soon after it happened.

The Consumer Rights Act says that, if a consumer requests or agrees to the repair or replacement of goods, the period for exercising the short-term right to reject stops running for the length of the waiting period. I consider that Mr F had requested a repair of the car within 30 days of the car being supplied to him, so the period in which he could exercise the short-term right to reject the car had stopped running. I consider that Mr F was exercising his short term right to reject the car in June 2024 when he wrote to Leasys and that he was within the time limit for doing so. I consider that Leasys should have accepted his rejection of the car at that time, but it didn't do so.

Although Leasys should have accepted Mr F's rejection of the car, Mr F's father says that a fair outcome would be for all payments up to 31 October 2024 (which is the date of collection) to be refunded, calculated on a monthly payment of one twenty-fourth of £8,385.36, equating to a figure of £2,271.03, plus £500 compensation for the distress and inconvenience caused. He says that the amount of compensation should be increased to £500 to take account of Leasys' refusal to accept rejection, the delay in its final response, the numerous attempts to try to reach an amicable agreement with it and that it's now 18 months into a two year agreement. Mr F's father also says that Leasys has never issued the three month credit nor the £250 compensation that it offered to Mr F.

I find that it would be fair and reasonable in these circumstances for Leasys to end the hire agreement and arrange for the car to be collected from Mr F, both at no cost

to him, and to refund to Mr F the payments that he made under the hire agreement for the period from when the car broke down on 29 April 2024 until he collected the car after 24 October 2024, and to pay interest on the refunded amounts. The total amount payable by Mr F under the hire agreement was £8,385.36 and I consider that the refund to be made to Mr F should be based on a monthly payment of one twenty-fourth of £8,385.36. I find that it would also be fair and reasonable for Leasys to pay Mr F £500 compensation for the distress and inconvenience that he's been caused".

Subject to any further comments or evidence that I received from Mr F, his father and Leasys, I said in my second provisional decision that I intended to uphold this complaint. Mr F's father has confirmed, on behalf of Mr F, that they agree to the outcome proposed in my second provisional decision but Leasys hasn't responded to it.

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.

As Mr F has accepted my second provisional decision and Leasys hasn't responded to it, I see no reason to change the findings that I set out in my second provisional decision.

Putting things right

I find that it would be fair and reasonable in these circumstances for Leasys to take the actions that I described in my second provisional decision and which are also set out below.

My final decision

My decision is that I uphold Mr F's complaint and order Leasys UK Limited to:

1. End the hire agreement and arrange for the car to be collected from Mr F, both at no cost to him.
2. Refund to Mr F the payments that he's made under the hire agreement for the period from when the car broke down on 29 April 2024 until the car was collected by him or his father, calculated as described above.
3. Pay interest on the amounts to be refunded at an annual rate of 8% simple from the date of each payment to the date of settlement.
4. Pay £500 to Mr F to compensate him for the distress and inconvenience that he's been caused.

HM Revenue & Customs requires Leasys to deduct tax from the interest payment referred to above. Leasys must give Mr F a certificate showing how much tax it's deducted if he asks it for one.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 6 January 2026.

Jarrold Hastings
Ombudsman