

The complaint

Mr G complains about the administration of a hire agreement taken out with Tesla Financial Services Limited (“TFSL”).

What happened

In September 2024, Mr G placed an order for a brand new car. Mr G chose to lease the car from TFSL and signed a hire agreement. This meant TFSL bought the car from the manufacturer, then leased it to Mr G. Under the contract, Mr G made an advance payment of around £4,450 and was scheduled to make monthly payments of about £300 over a three year period.

During Mr G’s discussions with TFSL, he says they told him he could benefit from a referral discount, whereby he would receive £1,000 reduction on the cost of leasing the car.

However, shortly after taking out the hire agreement, Mr G says the referral discount was deducted from the purchase price of the car, and not used to reduce the monthly payments, as he was expecting. So, Mr G raised his concerns with TFSL.

In their final response to Mr G’s complaint, TFSL said that they had applied the referral discount correctly. They also said they couldn’t see where Mr G was told he would benefit from the £1,000 directly. Mr G didn’t accept TFSL response and brought his complaint to us.

One of our investigators looked into Mr G’s complaint and found that TFSL had treated Mr G fairly. He thought about the emails and conversations between Mr G and TFSL, but didn’t find any evidence to suggest Mr G was given incorrect information. The investigator could see that the referral discount was applied to the purchase price of the car and didn’t conclude that TFSL had made an error.

Mr G didn’t agree with the investigator’s findings and explained that he didn’t have specific records of who gave him the incorrect information. He also said that had he known he wouldn’t benefit from the full reduction in the cost of leasing the car, he would have chosen a less expensive specification. Overall, Mr G said that TFSL had treated him and other customers unfairly.

The investigator didn’t change his conclusions and Mr G’s complaint has now been referred 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.

Having done so, and acknowledging how disappointing it’ll be for Mr G, I’m not upholding his complaint. My reasons are broadly the same as our investigator’s, but I’ll explain further below.

The agreement in this case is a regulated consumer credit agreement. So, I’m satisfied this

service is able to consider complaints relating to it.

The Consumer Credit Act 1974 (“CCA”) says that the finance provider may be responsible if the finance agreement was misrepresented. In this case, Mr G entered into the agreement directly with TFSL. So, I’m satisfied TFSL are the responsible party for any misrepresentation that may have taken place.

The CCA also says that for a misrepresentation to have taken place, the consumer must have been given a false statement of fact about the finance agreement, and that statement induced them into entering into a finance agreement to acquire goods when they otherwise wouldn’t have. What I therefore need to consider is whether TFSL misrepresented the terms of the finance agreement to Mr G and induced him to enter a contract he didn’t intend to enter into.

Mr G says TFSL set up the initial hire agreement after he went to the manufacturer’s showroom and found the model of car he was looking for. Mr G says he spoke to TFSL about the referral discount and was told it would be applied to his agreement. So, I’ve considered the evidence we have to show what Mr G was told before he signed the hire agreement with TFSL.

Throughout his complaint with TFSL and our service, Mr G says that all the negotiations about the lease were carried out either face to face or over the telephone. He says he doesn’t have recordings of those telephone conversations, or any written notes from the time, as he wouldn’t ordinarily be required to take such steps.

Equally, TFSL have told us they haven’t retained details of what was said to Mr G in the lead up to him taking out the hire agreement. And I cannot see from their contact records with Mr G, where they sent him texts, emails or letters to confirm what would happen with the purchase price, or the reduction in the monthly lease payments.

I accept that it wouldn’t be usual for Mr G to have recorded calls, or taken extensive notes. I also agree it’s very likely discussions took place with TFSL before the hire agreement was signed. But, I also need to keep in mind the other information available to Mr G, when those negotiations with TFSL happened.

TFSL have provided us with a link to a section of their website, which shows similar types of offers, to what was available in September 2024. I can see from TFSL’s advertisement that the referral discount is intended for customers purchasing a new car. The details within the advertisement don’t go on to say that the same discount will be given to customers looking to lease a vehicle.

Furthermore, I can see where TFSL provided a set of terms and conditions to Mr G, when he signed the hire agreement. Having looked closely at that information, I’m not persuaded TFSL told Mr G the referral discount would be used to decrease his monthly lease payments by a total of £1,000.

In light of all the evidence, I don’t think the type of contract Mr G agreed to with TFSL, meant that he would receive the full benefit of the referral discount. It seems that TFSL themselves received the full £1,000 discount on the purchase price, when they bought the car from the manufacturer. And because the purchase price was less than it ordinarily would be, only some of that discount impacted the monthly lease payments, met by Mr G.

I acknowledge where Mr G says he was given reassurances from TFSL, in that he says they told him the referral discount will be added at a later date. And where he says those reassurances prompted him to make a hurried decision to enter the hire agreement. But, I’ve

not found any evidence to suggest Mr G was given incorrect information by TFSL. So, I'm not persuaded by Mr G's argument that TFSL applied undue pressure on him to sign the lease agreement.

On balance, I think the information about the referral discount and the terms of Mr G's hire agreement outweigh what Mr G has told us about his recollections, when he entered the contact with TFSL. Overall, I don't think TFSL have made an error with their administration of the hire agreement. So, I don't think they should be required to discount Mr G's monthly payments further. It then follows that I think TFSL have treated Mr G fairly.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 4 February 2026.

Sam Wedderburn
Ombudsman