

The complaint

Mr C complains that Lex Autolease Ltd (“Lex”) treated him unfairly when it administered his contract hire agreement for the supply of a car.

What happened

The circumstances of the complaint are well known to the parties, so I won’t go over everything again in detail. Lex supplied Mr C with a car on a hire agreement in July 2024. The agreement set out the key terms and conditions.

Mr C said that Lex repeatedly ignored his explicit instructions not to pay fines or penalty charges on his behalf without notifying him. He said that these unauthorised payments deprived him of the legal right to challenge the fines. He said he was also unhappy how it dealt with complaints and follow ups.

He said that on three separate occasions Lex made payment for charges without his consent and without contacting him in advance. The charges were paid before he had the chance to appeal despite him instructing Lex that he did not authorise the payments.

Mr C said that Lex were dismissive of his concerns or ignored him entirely and had caused avoidable stress, wasted time and financial inconvenience.

Lex said the terms of the agreement allowed it to settle penalty charge notices (PCN) for motoring offences where liability could not be transferred. It said it didn’t need to seek permission to do so, and this did not prevent Mr C from appealing any fines. It said that it would only credit a fine or admin fee if proof of a successful appeal was provided. Ultimately it did not uphold the complaints and issued final responses on this basis.

Mr C referred his complaint to the Financial Ombudsman. Lex contacted the Financial Ombudsman and made an offer of £100 to resolve the complaint. An investigator here considered the complaint. She said the terms of the agreement set out that Lex would pay any such demands if Mr C did not. She said it also set out the charges that would apply for each demand. She said that Lex had notified Mr C of each charge, and when payment would be made, and that he still had the right to appeal to the issuing authority. She acknowledged that Lex had failed to place an invoice into dispute but thought that its offer of £100 compensation was fair and reasonable.

Mr C disagreed and made a number of points. In summary he concluded that the key issue was not whether Lex had the contractual right to pay a fine, but whether their actions were reasonable, transparent and consistent with regulator’s guidance, particularly given they had no practical means of knowing if a fine was already paid, under dispute, or subject to appeal when acting unilaterally.

As an agreement couldn’t be reached the complaint has been passed to me to make a 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.

When considering what is, in my opinion, fair and reasonable, I take into account relevant law and regulations; regulator's rules, guidance, and standards; codes of practice; and what I believe to have been good industry practice at the relevant time.

I acknowledge Mr C's strength of feeling and he's provided detailed submissions to our service. I've read and considered the evidence submitted by both parties, but I'll focus my comments on what I think is relevant. If I don't comment on a specific point, it isn't because I haven't considered it, but because I don't think I need to comment in order to reach what I think is the right outcome. This is not intended as a discourtesy but reflects the informal nature of this service in resolving disputes.

The agreement in this case is a regulated consumer credit agreement. As such, this service is able to consider complaints relating to it.

The Financial Ombudsman can't direct a business to change its processes. However, we can look at whether the process has been applied fairly. For the avoidance of doubt, I need to be clear and set out I'm only looking at the actions of Lex and not the bodies issuing the PCNs. It may well have been easier for Mr C to challenge or appeal a fine had it not been already paid. But it's not for me to make a finding on the appeals process or the actions of the organisations that issued the PCNs.

I understand that Mr C is generally unhappy with Lex' policy and process for settling fines or penalty charges. I need to explain that I'm required to look at the specific complaint that he made. He's referred on occasion to Lex's conduct. While I can look into the individual complaint that he has made, I can't look into a general complaint about its conduct. That is the job of the regulator, The Financial Conduct Authority (FCA). So, if Mr C has wider concerns about its processes and conduct, he can also contact the FCA (although it won't look into his individual complaint).

In this case I can see that he's complained about three charges from February, June and July 2025.

As a starting point, Lex is the owner and registered keeper of the car. So, any liability for fines unpaid, or otherwise, would initially automatically fall to it. But Lex sets out in the agreement that it can pass on those charges, and also an administration fee for doing so. It doesn't require permission for it to do so despite what Mr C said about not giving consent and giving it explicit instructions not to do so. However, it is also reasonable for a consumer to be able to place a charge into dispute if he wants to provide further evidence of paying for or appealing the PCN. The specific term of the agreement says:

It may be that your possession or use of the Vehicle leads to fees, fines (including speeding, parking and congestion charge fines) or other sums or liabilities being referred to us. If so, we may charge you an administration fee as shown in the Key Information section of this agreement for each referral. We may (but need not unless we are legally required to do so) choose to pay these amounts if you have not paid them. If we do so, you agree to reimburse us for the amounts we pay. We will charge you a further fee as shown in the Key Information section of this agreement] for each charge we pay.

In February 2025 Lex notified Mr C in writing about the PCN. It enclosed a copy of the relevant notice with instructions on what he could do. It also made it clear that he should

inform Lex if he decided to appeal, and that further notices would be paid without further reference to him.

Given Lex has no control over the issuing authority's process, I agree it would be unlikely to have knowledge that the fine had been appealed or paid by Mr C. I think it is reasonable that its process involves letting Mr C know that it had tried to pass on liability onto him. However, in the event that it couldn't transfer liability or if Mr C didn't respond, didn't pay or didn't appeal the fine, it reserved the right to make the payment on his behalf.

I'm satisfied that Lex gave due notice to Mr C about the PCN in February 2025. So, he had an opportunity to let it know if he'd paid or appealed. The PCN wasn't paid by Lex until 8 April 2025. I don't think Lex acted unfairly or unreasonably here.

In June 2025 Lex received a notice about another penalty charge. As it related to a PCN issued under railway by laws, it said it couldn't seek to transfer liability to him. However, it didn't communicate this to him until after it had already paid the fine.

Lex seem to accept that it should have contacted Mr C first. It was possible that the body that issued the fine might have increased the charge if it remained unpaid. I'm satisfied that Lex thought it was acting in its and Mr C's best interests when it paid the fine. However, the advisor he spoke to agreed to refund the charge of £70, and Lex has said this was an error as it was payable. But I don't think Mr C lost out here overall, as I note it is not seeking to reapply the charge which seems more than reasonable.

Lex sent a further invoice regarding a PCN in July 2025. It related to a charge for an event at the end of June 2025. The invoice explains that the payment will be taken from Mr C at the end of July 2025. I think this is sufficient notice for Mr C to let Lex know that he had already paid or appealed the PCN, so I don't agree it has treated him unfairly.

I'm sorry to disappoint Mr C as I know he feels strongly about this complaint. But although I can see that Lex accepts it did make an error by not placing a PCN from June 2025 into dispute, I think the offer that it has made of £100 fairly recognises that, and I'm not directing it to do more.

Mr C doesn't need to accept my decision if he thinks he can achieve a better outcome, such as through the courts, after getting legal advice, as necessary.

My final decision

My final decision is that I uphold this complaint and direct Lex Autolease Ltd to pay Mr C £100.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 12 March 2026.

Caroline Kirby
Ombudsman