

The complaint

Mr S complains that the car he acquired financed through a hire agreement with Tesla Financial Services Limited ("Tesla") wasn't of satisfactory quality.

What happened

In November 2024 Mr S acquired a new car financed through a hire agreement with Tesla. When he ordered the car he selected a tow hitch as an optional extra at an additional charge of £1,090. Mr S said when he attempted to use the tow hitch he discovered it had been installed too close to the bumper, which meant that it couldn't be connected to the electrical socket without extreme force or risk of injury or damage. Mr S said on inspection the engineer said the electrical connection worked but acknowledged it was not physically usable. He said Tesla would not relocate the tow hitch, remove it or provide a refund. He raised a complaint.

Tesla did not uphold Mr S's complaint. It said no corrective work was needed on the tow hitch/bar. Mr S didn't agree and brought his complaint to this service. He said he had bought a cycle rack to use on the tow hitch but hasn't been able to use it. He would like the tow hitch relocated or removed and an alternative solution provided.

Our investigator concluded the car was of satisfactory quality when supplied. Mr S didn't agree and asked for a decision from an ombudsman. I issued a provisional decision on 2 December 2025. I said:

"In considering what is fair and reasonable I need to have regard to the relevant law and regulations, regulator's rules, guidance and standards, codes of practice and (where appropriate) what I consider having been good industry practice at the relevant time. Mr S's hire agreement is a regulated consumer agreement and as such this service can consider complaints relating to it.

Tesla, as the supplier of the car, was responsible for ensuring it was of satisfactory quality when it was supplied to Mr S. Whether or not it was of satisfactory quality at that time will depend on several factors, including the age and mileage of the car and the price that was paid for it. The car supplied to Mr S was new and had a price of £62,325. Satisfactory quality also covers durability which means that the components within the car must be durable and last a reasonable amount of time.

If I am to decide the car wasn't of satisfactory quality I must be persuaded faults were present at the point of supply. Faults that developed afterwards are not relevant, moreover even if the faults reported were present at the point of supply this will not necessarily mean the car wasn't of satisfactory quality.

From the information provided I'm satisfied there is a fault with the car. I have seen video footage of Mr S attempting to plug the adapter into the socket. It's clear he needs to use force and the dust/dirt cap gets in the way. In its final response Tesla said

“the technical team confirmed the tow hitch is working as expected when trailer mode is enabled. The onsite team connected a Tesla Tow Bar tester with a 13-pin light display, the team confirmed the test pin connected and responded to all inputs. The team confirmed no corrective work was required on the tow hitch/bar. When purchasing a vehicle, the onus remains with the buyer of any product to ensure they read and understand all the information available including accessories prior to purchasing.”

I'm not disputing that when the plug/adaptor is in the tow hitch works and connects. Mr S's complaint is that it is very difficult to get the plug to go in in the first place and the dust/dirt cap is preventing this due to its position against the bumper. This is evident to me from the video and photos provided by Mr S. I have also seen videos on the internet of the same model of car where it's demonstrated there could be more room for the plug to go in more smoothly.

I accept that as this is a tow hitch the connection should be very firm and secure so an element of force is needed to push the plug in. But I'm persuaded that there shouldn't be an impediment to plugging the adapter in and it seems from Mr S's video that there is. I think this is more than not 'user-friendly.' Having to force the plug in over the dust/dirt cap possibly makes the connection less secure and the plug, cap or bumper prone to damage.

In his response to our investigator's view Mr S said he has paid for an optional extra from the manufacturer as part of a new vehicle purchase, which is not usable without using force that would break and damage the body of the car. He said the issue is not with the physical part, but with the quality and location of the installation carried out by the manufacturer, which is preventing the use of the extra he is paying for. He said this wasn't reasonable or fair. I'm inclined to agree. The tow hitch cost £1,090 which isn't insignificant, the car was brand new and cost £62,325. It would be reasonable to expect a new car at this price to be free of even minor defects.

I'm persuaded there is a fault with the vehicle and as this was an optional extra when Mr S ordered the new car I'm satisfied the fault was present at the point of delivery. So subject to any further information I might receive I'm persuaded the car wasn't of satisfactory quality at the point of sale.

Mr S has said he would like the tow hitch to be relocated or for it to be removed and an alternative solution provided. Tesla is entitled to attempt a repair. If it is unable to move the tow hitch so that it is not impeded then it should be removed and the cost of the tow hitch removed from the agreement. Mr S's payments should be reworked from the start of the agreement. Mr S should then be refunded any over payment. Mr S has asked for an alternative solution but I think if moving the tow hitch isn't possible then removing it and removing the cost is fair and reasonable. Mr S has been inconvenienced by this situation and hasn't been able to use the tow hitch he specifically asked for so Tesla should pay him £150 in compensation.”

Both parties accepted my provisional findings. Mr S made an additional request regarding the remedy which I have responded to below.

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 both parties have accepted my provisional decision I see no reason to depart from its

conclusions.

Mr S said that the £150 compensation offered doesn't cover the value of the bike rack he purchased to use with his car, the cost of which was £265.18. He asked to be refunded this amount.

Tow hitches are attached to vehicles for many reasons and Mr S purchased the bike rack independently of his agreement with Tesla. It was his choice to buy it and Tesla had no involvement with the purchase. While I understand why Mr S would like me to instruct Tesla to refund the cost I don't think it would be fair to charge Tesla for an accessory Mr S chose to buy.

Putting things right

To put things right Tesla Financial Services Limited must:

- Attempt to move the tow hitch so that using the plug is unrestricted by the dirt/dust cap and bumper.
- If the above is not possible then Tesla should remove the tow hitch from the car and the cost of the tow hitch from the agreement and rework Mr S's payments from the agreement start date. Any over-payments Mr S has made due to the cost of the tow hitch being removed from the car and the agreement must be refunded.
- Pay Mr S £150 in compensation.

My final decision

My final decision is I uphold this complaint and Tesla Financial Services Limited must put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 14 January 2026.

Maxine Sutton
Ombudsman