

## The complaint

Mr R complains that a new car he leased via a personal hire agreement with Leasys UK Ltd wasn't of satisfactory quality.

## What happened

In July 2024 Mr R entered into two-year hire agreement with Leasys UK Ltd for a new electric car. Mr R says within a few days he discovered there was a fault with charging the vehicle as unless it was unplugged when the charge was completed the car failed to go into hibernation mode and the 12v battery would subsequently go flat. Mr R would then be unable to use the car.

Mr R says that due to the fault with the car he had to call roadside assistance on a number of occasions for help as well as taking the car back to the retailer for diagnostics. Mr R also says that because the charge had to be timed and the car unplugged at a specific point, he couldn't charge it up at home unless using an alarm and making sure he was available to unplug it. He said as a result he had to rely on fast charging stations away from home meaning the cost of using the car was greater than he'd anticipated.

The retailer, when investigating the issue, noted the fault, but told Mr R it was unable to fix it because it was awaiting guidance from the manufacturer. Mr R complained to Leasys UK Ltd in November 2024 and asked to be able to reject the car.

Although Leasys UK Ltd acknowledged the issue with the car, it said it couldn't uphold Mr R's complaint because the matter was still being considered by the retailer and the manufacturer who were looking at a resolution for the problem. It offered Mr R a 20% refund of six of the monthly payments he'd made under the agreement, amounting to £379.65.

Mr R was unhappy at Leasys UK Ltd's response and complained to this service. Our investigator recommended that Mr R's complaint should be upheld. He said that the car had had a fault since acquired by Mr R and so wasn't of satisfactory quality. Our investigator also said that as no repair could be provided within a reasonable time scale, that Mr R was entitled to reject the car. He said the following would be fair redress:

- For Leasys Ltd UK to end/terminate the agreement with nothing further for Mr R to pay.
- For it to collect the car without cost to Mr R.
- For Mr R to be refunded his initial rental payment on a pro-rata basis from November 2024 together with interest.
- For Mr R to receive £350 compensation for the distress and inconvenience caused.
- For Leasys UK Ltd to remove any adverse reports it may have made to the credit reference agencies in respect of this account.

Both Mr R and Leasys UK Ltd agreed with our investigator's view, however Leasys UK Ltd has since failed to collect the car and the hire agreement has been ongoing. Mr R is unhappy that he continues to be charged the full monthly cost as set by the hire agreement for the faulty car since the issue was never rectified. Due to Leasys UK Ltd's failure to

respond further to contact from our investigator the complaint has been passed to me.

I issued a provisional decision along the following lines.

When looking at this complaint I need to have regard to the relevant law and regulations, but I am not bound by them when I consider what is fair and reasonable.

As the hire agreement entered into by Mr R is a regulated consumer credit agreement, then this service is able to consider complaints relating to it. Leasys UK Ltd is also the supplier of the goods under this type of agreement and is responsible for a complaint about their quality.

Under the Consumer Rights Act 2015 there is an implied term that when goods are supplied the quality of the goods is satisfactory. The relevant law says that the quality of the goods is satisfactory if they meet the standard that a reasonable person would consider satisfactory taking into account any description of the goods, price and all other relevant circumstances.

The relevant law also says that the quality of the goods includes their general state and condition, and other things like their fitness for purpose, appearance and finish, freedom from minor defects, safety, and durability can be aspects of the quality of the goods.

Here the car was new so would be expected to be fault free. I'd seen that within a short time Mr R had discovered the fault when charging the car meaning that it couldn't be left plugged in beyond reaching full charge because the vehicle wouldn't go into hibernation mode and would become overcharged. This then impacted on the battery and caused issues for Mr R in being able to use it. I thought it was fair to say the car has been a disappointment to him and his enjoyment and use of it spoiled.

I'd also seen that although the retailer diagnosed the issue it had been advised by the manufacturer that no fix was currently available. This had left Mr R having to continue to deal with the faulty car.

As there was no repair available then under the Consumer Rights Act 2015, I thought Mr R had the right to reject the car and I'd seen that Leasys UK Ltd had agreed with that. However, looking at the redress recommended by our investigator, I didn't think this went far enough in recognising the spoiled enjoyment that was being experienced by Mr R when using this vehicle. I thought it was fair and reasonable for this element to be added to the redress and I explained why below.

I'd seen that although there was an issue with Mr R charging the car he was able to do so and has therefore been able to make use of it. Under the Consumer Rights Act a deduction for use is considered fair and I've also seen that he was provided with a courtesy car for some periods so had been kept mobile. And in these circumstances, I thought it was reasonable for Mr R to make payments for the car. But I also thought it was fair to say that Mr R would have been reasonably expecting stress-free use of this car given that it was new and that this would have been an incentive for him to enter into the hire agreement. As that hadn't happened here, Mr R has had to adapt how he would charge the car and has also experienced times when it hasn't been usable, his enjoyment/use has been spoiled. He had also faced greater costs in charging the car than he'd expected.

So, taking the above into account, I thought it would be fair for Leasys UK Ltd to reimburse Mr R 20% of all the monthly payments he had made under the agreement until the agreement was ended and the car collected. This reflected Mr R's spoilt enjoyment.

In regard of the initial rental amount, this payment wasn't a deposit as such, but it did mean that the monthly payments under the agreement were reduced. Mr R had raised his request

to reject the car in November 2024, and I agreed with our investigator that it was fair for Leasys UK Ltd to refund that initial rental on a pro-rata basis (with simple interest) from the date of that request. I was going to ask Leasys UK Ltd to make that payment if it hadn't already done so.

I also thought that Mr R was entitled to £350 compensation for having to deal with the faulty car and I intended to ask for that amount to be paid (if not already done so). I wasn't intending to increase this amount even though Leasys UK Ltd hadn't responded as I would have expected to the investigator's recommendations having said it had them. This service's remit isn't to punish businesses for poor service, and I also thought the reduction as to the monthly payments, as set out above, appropriately reflected the additional impact on Mr R of dealing with the faulty car.

So, for the reasons given above I intended to uphold Mr R's complaint.

Mr R has responded to my provisional view. He hasn't disagreed with what I've said but has explained the car has still not yet been collected. He says Leasys UK Ltd has paid the initial compensation, but he remains concerned that it is stalling until the contract expires before collecting the car. He says the distress over the faulty car is ongoing and he isn't in a position where he can get another car until this matter is resolved. He is very unhappy about the customer service Leasys UK Ltd has provided to him.

Disappointingly, Leasys UK Ltd hasn't responded to my provisional view.

### **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 reviewed my provisional decision and the conclusions I reached, I haven't changed my mind and I'm not altering the outcome I have set out above even though the car is still with Mr R.

I appreciate Mr R's growing frustration at the situation, particularly when Leasys UK Ltd had agreed with the view given by our investigator that the contract should be ended and the car collected. However, as I have also explained in my provisional decision, my role isn't to punish a business for poor customer service.

Looking at the situation, I'm satisfied that even though Leasys UK Ltd hasn't acted as would be reasonably expected, that is by collecting the car and ending the agreement, the ongoing 20% reduction from each of the monthly payments does appropriately compensate Mr R for his having to continue to deal with the faulty car. As I have explained, I have taken into account that he can still use the car even though that use is spoiled by the fault. I'm therefore upholding Mr R's complaint.

### **Putting things right**

I'm asking Leasys UK Ltd to do the following:

- End the agreement with nothing further for Mr R to pay.
- To collect the car at no cost to Mr R.
- To refund Mr R's initial rental payment on a pro-rata basis from November 2024 together with simple interest at 8% per annum from the date of payment until the date of settlement.

- To refund Mr R 20% of all monthly payments made by him under the agreement to reflect the spoiled enjoyment he has suffered. Simple interest at 8% per annum is to be added from the date of payment until the date of settlement.
- To pay Mr R £350 compensation for the distress and inconvenience caused having to deal with the faulty car.
- To remove any adverse information about this account from Mr R's credit file.

### **My final decision**

For the reasons set out above I'm upholding Mr R's complaint.

I'm asking Leasys UK Ltd to do the following:

- End the agreement with nothing further for Mr R to pay.
- To collect the car at no cost to Mr R.
- To refund Mr R's initial rental payment on a pro-rata basis from November 2024 together with simple interest at 8% per annum from the date of payment until the date of settlement.
- To refund Mr R 20% of all monthly payments made by him under the agreement to reflect the spoiled enjoyment he has suffered. Simple interest at 8% per annum is to be added from the date of payment until the date of settlement.
- To pay Mr R £350 compensation for the distress and inconvenience caused having to deal with the faulty car.
- To remove any adverse information about this account from Mr R's credit file.

I appreciate that some of the above payments above may have already been made to Mr R by Leasys UK Ltd, and, where that has happened, I'm not asking the business to pay for a second time.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 27 February 2026.

Jocelyn Griffith  
**Ombudsman**