

The complaint

Mr C complains about LEASYS UK LTD (LEASYS) actions when a car he was financing through them broke down.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

Mr C entered into a regulated hire agreement with LEASYS in October 2024 for a new car. In July 2025 around nine months into the agreement the vehicle suffered a sudden engine failure. It was subsequently determined that the engine required replacement. The vehicle was repaired and returned to Mr C on 24 September 2025.

Mr C complained about the lack of communication from LEASYS and that he was not kept mobile for a period while the car was being repaired. He said he incurred various expenses including bus and taxi fares, temporary insurance, car hire charges and hotel costs. The total of the expenses he provided was £684.88.

LEASYS agreed that Mr C had not been kept mobile between the 1 July 2025 and the 21 August 2025 and offered to refund his monthly rentals on a pro-rata basis for that period, totalling £502.88. It did not agree to reimburse the hotel costs maintaining these were not a direct alternative transport cost.

Our investigator considered the evidence and concluded that the pro-rata refund of rentals together with £200 compensation for distress and inconvenience, represented a fair outcome. Mr C queried why the balance of his expenses (excluding the hotel) were not separately reimbursed and whether the £200 was intended to cover those costs. He also maintained that the hotel was used and that he remained out of pocket.

As Mr C was disappointed with our investigator's view, his complaint has been referred to me, an ombudsman, 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.

I agree with the investigator's view of this complaint, for broadly the same reasons.

Where the information I've got is incomplete, unclear, or contradictory, as some of it is here, I have to base my decision on the balance of probabilities.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point, it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

The agreement is a regulated hire agreement and LEASYS, as the supplier of the finance, is responsible for complaints about the quality of the vehicle under the Consumer Rights Act (2015). The vehicle required a replacement engine nine months into the agreement. There is no evidence of any failed repair prior to that point. In those circumstances, the appropriate statutory remedy was repair, and that is what ultimately occurred. I am satisfied that the substantive remedy under the Act was provided.

The issue then becomes what is fair and reasonable in respect of the period when Mr C was without the use of the vehicle.

Where a consumer is not kept mobile during a repair our usual approach is that the business should either refund the rental payments for the period the vehicle could not be used, or reimburse reasonable alternative transport costs, but not both, as that would amount to double recovery for the same loss of use.

LEASYS has agreed to refund £502.88 representing the pro-rata monthly rentals for the period Mr C was not kept mobile. I consider that approach to be fair. It places Mr C, financially, in the position he would have been in had he not been required to pay for a vehicle he could not use.

In light of that refund, I do not consider it would be fair to also require LEASYS to reimburse the bus fares, taxi fares, temporary insurance and car hire costs. Those costs arise from the same loss of use. To direct reimbursement of both the rentals and the alternative transport expenses would go beyond compensating the loss and would result in over compensation.

Turning to the hotel costs, I am not persuaded these represent a direct and unavoidable alternative transport expense caused by the vehicle being off the road. Even accepting that Mr C stayed at the hotel, the cost was not itself a transport cost and there were other options open to him at the time. I therefore agree that it would not be fair to require LEASYS to reimburse the hotel charge.

I have also considered the complaint about communication and the inconvenience caused. The evidence suggests Mr C had to chase for updates and that LEASYS could reasonably have been more proactive, particularly in arranging the rental refund sooner once it was clear he had not been kept mobile. I considered that this caused avoidable distress and inconvenience.

An award of £200 for distress and inconvenience is, in my view, proportionate to reflect the impact of the delay and the shortcomings in communication, without straying into punitive territory.

My final decision

For the reasons I've set out above. I uphold this complaint in part, and tell LEASYS UK Limited to refund £502.88 in respect of the pro-rata monthly rentals for the period Mr C was not kept mobile, adding 8% simple interest a year from the date each payment was made to the date of settlement. They should also pay Mr C £200 for the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 30 March 2026.

Phillip McMahon

Ombudsman