

## **The complaint**

Mr A complains that Tesla Financial Services Limited (“Tesla”) paid penalty charges that had been incurred on a car provided to him under a hire agreement without first notifying him of the charges.

## **What happened**

Mr A hired a car from Tesla under a hire agreement that started in March 2024. In accordance with the agreement, Tesla remains the registered keeper of the vehicle. Between May 2025 and September 2025 Tesla was notified that the vehicle had incurred seven penalty or parking charges as a result of its use. In line with its normal processes Tesla paid these charges at the earliest opportunity in order they would benefit from the greatest discount on the penalty. It then asked Mr A to pay the cost of those charges in line with his hire agreement.

Mr A complained to Tesla about how it had dealt with the penalty notices. He said that by paying the penalties it had denied him the opportunity to make an appeal against the alleged contraventions. And he later complained that Tesla had added a late payment fee to his account whilst his complaint about the charges was still being considered.

Tesla didn’t agree with Mr A’s complaint. It said that, wherever possible, it would try to transfer liability for any vehicle fines to the driver. But where that wasn’t possible it would pay the charge and seek reimbursement under the terms of the hire agreement. It said that in all cases, regardless of the penalty it actually paid, it would only pass the lowest discounted charge onto the consumer. Tesla later cancelled the late payment charge it had added to Mr A’s account. Unhappy with that outcome Mr A brought his complaint to us.

Mr A’s complaint has been assessed by one of our investigators. She thought that Tesla was within its rights to pay the fines promptly to avoid further costs or legal actions. And she thought the terms of the hire agreement allowed Tesla to pass those costs onto Mr A. She thought that the evidence Mr A had provided suggested he had a limited chance of appealing any of the charges. So, she thought it was reasonable to conclude that Tesla had acted within Mr A’s best interests by paying the charges at the earliest opportunity.

Mr A didn’t agree with that assessment. So, as the complaint hasn’t been resolved informally, it has been passed to me, an ombudsman, to decide. This is the last stage of our process.

## **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.

In deciding this complaint I've taken into account the law, any relevant regulatory rules and good industry practice at the time. I have also carefully considered the submissions that have been made by Mr A and by Tesla. Where the evidence is unclear, or there are conflicts, I have made my decision based on the balance of probabilities. In other words, I have looked at what evidence we do have, and the surrounding circumstances, to help me decide what I think is more likely to, or should, have happened.

At the outset I think it is useful to reflect on the role of this service. This service isn't intended to regulate or punish businesses for their conduct – that is the role of the Financial Conduct Authority ("FCA"). Instead, this service looks to resolve individual complaints between a consumer and a business. Should we decide that something has gone wrong we would ask the business to put things right by placing the consumer, as far as is possible, in the position they would have been if the problem hadn't occurred.

From what I have seen, Mr A's relationship with Tesla has been problematic from the outset. He made a complaint to Tesla about what happened when he first agreed to take the finance agreement. And more recently I can see that he has said that Tesla has added some administration charges to his account despite him having paid all the monthly rentals on time. But this complaint, and so this final decision, is only in regard to the way in which Tesla dealt with the penalty and parking charges ("PCNs") that Mr A incurred in 2025. Should Mr A be unhappy with other aspects of his relationship with Tesla he would need to raise those as separate complaints.

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 Tesla and not the bodies issuing the PCNs. It may well have been easier for Mr A 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 A is generally unhappy with Tesla's 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 Tesla'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 FCA. So, if Mr A has wider concerns about Tesla's 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 Mr A has complained about seven charges incurred between May and September 2025. As a starting point, Tesla is the owner and registered keeper of the car. So, any liability for fines unpaid, or otherwise, would initially automatically fall to it. Tesla set out Mr A's liability for charges of that nature in sections 3.8 and 3.9 of his hire agreement. They say;

- 3.8 *You shall promptly pay all fees, duties, charges, fines, taxes, and other outgoings payable in respect of the Vehicle and your use of it. For the avoidance of doubt, this includes speeding fines and parking tickets.*
- 3.9 *You shall pay to us on demand all expenses and costs incurred by us as a direct result of your failure to comply with the terms of this Agreement. This includes costs and expenses arising where we enforce our rights under this Agreement, including those set out at 7.3 below*

So, I think it is clear, and not disputed by Mr A, that he is liable for the payment of any PCNs that are incurred whilst he is using the vehicle. But that isn't the main reason behind Mr A's complaint. He says that, by Tesla paying the charges on receipt and without first referring them to him, he is denied the opportunity to appeal the PCNs.

Mr A has provided us with copies of the PCNs that were sent to Tesla. There are only limited circumstances, and only on a minority of the PCNs, where Tesla can transfer liability for the notice directly to Mr A. But, there is also the question of the charge itself. Unless Mr A is held liable for the charge, it would fall to Tesla for it to be paid. So Tesla, quite reasonably in my opinion, needs to ensure that it minimises any costs of that nature by paying the penalty promptly.

I appreciate that the payment of the PCNs does, in some cases (but not all), prevent Mr A from making an appeal about the stated offence. That is an unfortunate consequence of the mitigation actions that I have explained above. But even so, I am not persuaded that being denied an appeal has meant that Mr A has lost out.

I have looked at each of the PCNs that were sent to us by Mr A. And I have considered the explanations Mr A provided to Tesla at the time about why he thought the PCNs had been unfairly issued. Having done so, and of course on the balance of probabilities, I am not satisfied that an appeal against any of the PCNs would have a reasonable prospect of success. So even if I thought Tesla had acted unfairly by paying the PCNs and preventing Mr A from making an appeal (which for the avoidance of doubt I don't) I still wouldn't conclude that Tesla's actions have caused Mr A to financially lose out.

I appreciate how disappointing this decision will be for Mr A. But I am satisfied that Tesla's actions in paying the PCNs and then seeking reimbursement were reasonable and in line with the hire agreement he signed. I am not persuaded that the loss of an opportunity to appeal one or more of the PCNs has caused Mr A any financial loss.

### **My final decision**

For the reasons given above, I don't uphold the complaint or make any award against Tesla Financial Services Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 8 May 2026.

Paul Reilly

**Ombudsman**