

## **The complaint**

Mr S complains about the process Zenauto Limited (Zenauto) apply when Penalty Charge Notices (PCNs) are received.

## **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 S entered into a car finance hire agreement with Zenauto in January 2023. Under the terms of the agreement Zenauto were permitted to pay PCNs on Mr S's behalf and then recharge those amounts along with an administration fee. In 2023 Zenauto updated its process so that PCNs would be paid automatically before any appeal was made and customers were notified of this change by email. Mr S received a number of PCNs and it's his position that Zenauto's approach meant charges were paid before he had a meaningful opportunity to challenge them through the issuing authority. He thought that was unfair and he complained.

Zenauto reviewed several of the PCNs following Mr S's challenge. They waived some charges and administration fees as a gesture of goodwill but maintained that the remaining balance was payable.

Our investigator did not think Zenauto had acted unfairly. She noted that the agreement allowed Zenauto to pay the charges and that Mr S had not been prevented from appealing.

Mr S disagreed and asked for an ombudsman to review the complaint. He said the issue was not the existence of the term in the agreement but how Zenauto exercised its discretion in practice, particularly given the timing of payment, inconsistency in outcomes, and his financial circumstances.

## **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 and 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 terms of the finance agreement clearly allow Zenauto to pay PCNs on Mr S's behalf and recharge those amounts together with an administration fee. This type of clause is common

in motor finance agreements and is not in itself unfair provided it is applied reasonably and in line with the agreed terms.

I've thought about whether Zenauto exercised that right fairly here, particularly given Mr S's concern that paying the PCNs immediately reduced his opportunity to challenge them with the issuing authority.

I accept that a pay-first approach can, in some circumstances, affect how and when a customer is able to challenge a PCN and may limit early resolution opportunities. However, I note that Mr S was still able to appeal all of the PCNs and there is no persuasive evidence that the outcome of those appeals would have been materially different had the business delayed payment.

I also note that Zenauto reviewed the PCNs when Mr S raised concerns, contacted the relative authority in at least one case, and agreed to waive some charges and an administration fee as a gesture of goodwill. That demonstrates that they did exercise discretion rather than applying the policy rigidly. While Mr S has said that discretion was not applied consistently, I have not seen sufficient evidence to show that the remaining charges were applied unfairly or outside the terms of the agreement.

I have also considered Mr S's comments about financial hardship. I recognise the impact that the charges have had but this does not remove Mr S's underlying liability for the PCNs or make it unfair for Zenauto to recover those sums in line with the agreement.

Taking everything into account, I do not find that Zenauto acted unfairly or unreasonably when they paid the PCNs and recharged the remaining balance to Mr S. I'm not asking them to take any action.

### **My final decision**

For the reasons I've given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 6 May 2026.

Phillip McMahon  
**Ombudsman**