

The complaint

Mrs B complains about the administration of a lease agreement she had with ZenAuto Limited (ZenAuto). Mrs B says that the amounts she was quoted to extend the lease were very high and she couldn't afford to extend it. This caused her distress and impacted her financially. She thinks she has been treated unfairly by ZenAuto in respect of the lease extension.

What happened

In December 2022, Mrs B started a lease agreement. She paid an advance payment of £2,569.05 and the monthly payment was £280.45 over the three year term. In July 2025, ZenAuto wrote to Mrs B to explain the options she would have and give some information about extending the lease. In October 2025, Mrs B requested a quote for extending the lease by 12 months. The quote ZenAuto provided in November 2025 was £647 a month, which was significantly higher than the £280.45 she was currently paying.

As part of the complaint correspondence, ZenAuto has provided the broad reasons why the cost of the lease increased. But it hasn't provided full detail about this as it says it is commercially sensitive information. It did review the monthly amount and offered to extend the lease to a total term of 48 months with a monthly payment of £549.67. And it clarified that Mrs B did have the option to extend the contract for three months at an amount specified in the initial contract.

At the time Mrs B was in contact with ZenAuto about the new lease the car broke down. This doesn't form part of this complaint, but I note that, as a gesture of goodwill, ZenAuto arranged for the car to be recovered, for a courtesy vehicle to be provided and the car was repaired.

Mrs B has complained about the lease extension to ZenAuto. ZenAuto considered this complaint and it didn't uphold it. It provided some background information about how the lease extension was priced, but it thought that the new terms were correct and fair. It couldn't provide a full breakdown of the calculation as it said this would be business sensitive information. It didn't uphold Mrs B's complaint. Mrs B didn't agree and brought her complaint to the Financial Ombudsman Service.

Our Investigator partially upheld Mrs B's complaint. She said that she didn't think the lease contract extension pricing was unfair, and it wasn't unreasonable to have quoted the amounts it did.

Our Investigator thought that ZenAuto's customer service could have been better. It had taken too long to provide the extension quotes, and it asked for Mrs B's response to these in short time frames. And this was important as Mrs B had told it she suffered from some mental health difficulties and she was vulnerable. She thought Mrs B should receive compensation of £100 for this.

Mrs B didn't agree with the Investigator, and I've summarised what she said, as well as what she has said throughout the complaint below:

- The increase in the cost of the monthly payments to extend the lease was too high and was not fair. Mrs B thinks this is an example of a business not treating its customer fairly and not providing fair value under the regulator's Consumer Duty rules.
- This forced her into ending the lease which in turn exposed her to upfront costs to start a new lease and higher monthly costs going forward. She may also have end of lease charges that she could have avoided as she could have made any repairs that were needed and reduced the excess mileage charge.
- She was not in a position of free choice due to her personal circumstances and the car breaking down. She was exposed to a significant amount of distress and inconvenience because of this severe and prolonged situation.
- She outlined her financial and mental health problems and said how this situation increased her vulnerability. She doesn't think that ZenAuto has fully considered her personal situation, including her disabilities, and how the contract pricing affected this.
- She thinks that any end of lease and excess mileage charges, or repair or damage costs, should be waived

Because Mrs B didn't agree, this matter has been passed to me to make a final 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.

In considering what is fair and reasonable, I need to have regard to the relevant law and regulations, regulators' rules, guidance and standards, codes of practice and (where appropriate) what I consider was good industry practice at the relevant time.

The agreement in this case is a regulated lease – so we can consider a complaint relating to it. ZenAuto as the supplier of the goods under this type of agreement is responsible for a complaint about their quality.

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 to reach what I think is the right outcome.

The crux of Mrs B's complaint is that she doesn't think the monthly price for the contract extension was fair.

My role as an Ombudsman is to consider whether a business has acted fairly and within the regulations and rules that are applicable to a certain situation. ZenAuto has chosen to apply a certain price to continue to lease a car after the initial contract term had ended. As a starting point I think the price it charges for the lease is essentially a matter for its own commercial judgement. I don't think it would be appropriate for me say what price ZenAuto should charge for its car leases. In deciding this I have born in mind that Mrs B didn't need to accept the new terms, and she was free to consider lease agreements elsewhere, as she did.

That said, ZenAuto has provided the broad reasons for the price increase, and these don't seem unreasonable. I've not seen that ZenAuto has acted unfairly here in respect of the

pricing of the lease in general terms or in terms that would apply to the regulator's rules about Consumer Duty.

Mrs B thinks that ZenAuto should have priced the lease differently and with more sensitivity towards her own personal situation. This is partly because the lease price increase came at what was a difficult time for her. And she had to take steps to lease another car and bear the associated costs of this.

I can see that Mrs B was having a difficult time and I'm grateful for the information she has felt able to provide about this. I hope things have improved for her. I'm not going to repeat what she has said to protect her privacy. But I don't agree that this means that ZenAuto should have acted differently.

As I said, I think it's right that the pricing of the contract is based on its own business reasons. And Mrs B had a lease contract for a fixed term, and there was no guarantee as part of this contract that she would be able to extend the lease, or that she could do this at a particular price. I don't think the terms to extend the lease were necessarily unreasonable and I don't think ZenAuto needed to do more in consideration of Mrs B's personal situation.

And Mrs B has said that the extension of the lease came at a bad time due to the car breaking down and I understand that she will need to pay some charges for the increased mileage she drove the car over the lease contract allowances. She essentially said that if she was able to extend the lease she would have time to repair any problems with the car and I'm assuming drive it less going forward to resolve the excess mileage.

But, again, the lease contract that was due to end after three years and Mrs B was aware of this. There was no guarantee that the lease would be extended nor any guarantees regarding the costs of extending the lease. So, I don't think it's reasonable to say that Mrs B should have relied on mutual extension terms being agreed to enable her to avoid these costs, if this was possible. And ZenAuto is acting within the lease contract terms in applying these charges.

I don't think I can reasonably say any end of lease charges are being unfairly applied. So, I don't think these charges should be waived.

Mrs B has said that some of the correspondence she received before the lease was due to end indicated that extending the lease would be straightforward. Whilst I have considered this correspondence, I don't think it changes what I've said above about the pricing of the contract extension and the end of lease charges.

Mrs B went on to lease another car from another business. I've noted what she said about the price differentials, but I don't think because Mrs B was able to secure another lease for a different model of car means that the lease extension pricing was unfair or wrong. They are very different situations.

I agree that ZenAuto should have acted better in respect of how it communicated with Mrs B. Particularly as it knew that she was potentially a vulnerable customer. ZenAuto took over a month to provide an extension quote and then gave Mrs B only six days to decide about it, and later it gave her just two days to respond to the revised quotation. The delay limited her ability to consider options and was unfair.

In recognition of the distress and inconvenience caused by the delay, inadequate support, and poor communication, and in consideration of the impact this had on Mrs B, I think ZenAuto should pay her £100 compensation.

And Mrs B has said that she may have difficulty paying the end of contract charges. ZenAuto should exercise forbearance, as it is required to do, if Mrs B has problems repaying this.

Putting things right

ZenAuto should Pay Mrs B £100, if it has already paid this amount it doesn't need to pay it again.

My final decision

For the reasons I've explained, I partly uphold Mrs B's complaint. ZenAuto Limited. should put things right by doing what I've said above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 19 May 2026.

Andy Burlinson
Ombudsman