

complaint

Mr R complains about the compensation that he's been offered by Lex Autolease Limited for issues that he's had with his car's infotainment system.

background

A new car was supplied to Mr R under a hire agreement with Lex Autolease that was signed in December 2017. He says that the infotainment system didn't work but he didn't return the car to the dealer until May 2018. The dealer wasn't able to fix the problem so Mr R complained to Lex Autolease the following month. It agreed to pay him £50 compensation (and said that it would pay him a higher amount if the dealer was unable to fix the fault). The fault was fixed in September 2018 and Lex Autolease agreed to also pay Mr R £20 for each of the five months since the dealer had been aware of the fault. But Mr R also wants Lex Autolease to reimburse him for the £59.70 that he's paid to insure a courtesy car that was provided to him when his car was with the dealer for repairs. And he's complained to this service.

The investigator recommended that this complaint should be upheld. He thought that it was fair that the cost of the insurance be compensated to Mr R because he was without a car when his car was in for repairs for those six days as the car was faulty. So he recommended that Lex Autolease should pay to Mr R the £150 that it had already offered him plus £59.70 for the six days insurance.

Lex Autolease has asked for this complaint to be considered by an ombudsman. It says, in summary, that Mr R opted for an agreement where he was responsible for maintaining the car, no replacement car was guaranteed by the contract and he's expected to pay for and organise any maintenance. So it says that Mr R would always need to lose his car for a few days here and there to get services, MOT tests etc completed on the car – and the prospect of not having adequate insurance cover for a hire car was always a possibility and something that Mr R should've anticipated. And it says that it has no control over what insurance cover (if any) the dealer offered to Mr R.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

A new car was supplied to Mr R under a hire agreement with Lex Autolease that was signed in December 2017. He says that the car's infotainment didn't work but he didn't contact the dealer about that issue until May 2018. The dealer was unable to repair the fault so Mr R complained to Lex Autolease. Lex Autolease offered him £50 compensation. The dealer then repaired the infotainment system in September 2018 and Lex Autolease agreed to pay Mr R a further £100 compensation (which was £20 for each of the months from May to September 2018 that he'd not been able to use the infotainment system). And I find that it would be fair and reasonable for Lex Autolease to pay to Mr R the £150 compensation that's it's offered him.

But Mr R says that he had to pay for six days insurance cover for the courtesy car that was provided to him by the dealer when his car was being repaired – and he says that Lex Autolease should reimburse him for those costs.

Those insurance costs were incurred because Mr R's car was faulty when it was supplied to him. The dealer provided him with a courtesy car but he had to pay for the insurance cover to be able to use the courtesy car. If Mr R's car hadn't been faulty he wouldn't have needed to pay for the insurance cover. So I consider that the insurance costs are a direct consequence of a faulty car being supplied to Mr R. And I find that, in addition to the compensation referred to above, Lex Autolease should also pay £59.70 to Mr R to reimburse him for the insurance costs that he's incurred. I consider that to be fair and reasonable in the circumstances.

my final decision

For these reasons, my decision is that I uphold Mr R's complaint. And I order Lex Autolease Limited to:

1. Pay to Mr R the £150 compensation that it's offered to him.
2. Pay £59.70 to Mr R to reimburse him for the insurance costs that he's incurred.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 12 April 2019.

Jarrold Hastings
ombudsman