

## The complaint

Mr G complains that Tesla Financial Services Limited (TFS) mis-sold him a car.

## What happened

In December 2022 Mr G entered into a regulated conditional sale agreement with TFS to finance his purchase of a car. He says that all of his previous cars had had an ultrasonic sensor (USS), and that this was an essential feature for him. But he was not informed that the car he was buying did not have this feature. He says that this information would have been critical to his decision to purchase the car, because the USS is part of the full self-driving (FSD) feature.

Mr G complained to TFS, but TFS did not uphold his complaint. It told him that it had stopped making cars with ultrasonic sensors in October 2022, and that he had acknowledged that when he approved a change to his order (he had originally ordered a different car, but due to a delay he had agreed to buy a different model). The USS had been replaced by a camera-based system called Tesla Vision, which served the same function. TFS pointed out that its terms and conditions allow it to make changes to vehicle components if it reasonably believes that this will not materially affect the customer's order.

Mr G then referred this complaint to our service. He said that TFS had contravened regulation 6 of the Consumer Protection from Unfair Trading Regulations 2008 (CPUTR) by failing to mention that the USS would not be included, and that this had been misleading. He asked to be compensated.

TFS told our investigator that Mr G had originally (in July 2022) ordered a Model 3 car with Tesla's standard Autopilot function (without the FSD function, which on the Model 3 is an optional extra.) Then in December, when the delivery of his original choice of car was delayed, he cancelled that order and ordered a Model Y car instead. This vehicle included FSD. But two days later, according to TFS, Mr G asked for FSD to be removed from his new vehicle. So TFS removed the FSD and substituted the basic Autopilot function. As part of this process, TFS had sent Mr G a message via his MyTesla app telling him that USS had been replaced with tesla Vision, and Mr G had then ticked a box labelled "Proceed with delivery." TFS says that the car would not have been delivered if Mr G had not ticked that box, and there was no way for a member of Tesla staff to manually override that or to tick the box on Mr G's behalf. And TFS argued that the lack of FSD made the lack of USS less significant anyway.

Our investigator did not uphold this complaint. She thought that TFS had done enough to bring to Mr G's attention the fact that USS had been replaced with cameras, and that it was more likely than not that Mr G had seen this notification. She also thought that Mr G's request to have FSD removed from his car (which was in an email which Mr G had shown her) was at odds with his statement in his complaint form that the USS was critical to his decision-making because it was part of the FSD.

Mr G did not accept that decision. He maintained that USS and FSD had been of vital importance to him. He said that Tesla Vision does not work as reliably as USS. He said TFS

had failed to be transparent about the removal of USS. He asked for an ombudsman to review his case.

### 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 have read regulation 6 of CPUTR, which prohibits the omission of material information by a trader in connection with the sale of a product to a consumer. Strictly speaking, that regulation does not operate to give consumers the rights of redress set out in Part 4A of CPUTR, because of the combined effect of regulations 27A and 27B. Regulation 6 can only be enforced by local weights and measures authorities, the Competition and Markets Authority, or the Department of Enterprise, Trade and Investment in Northern Ireland. Nevertheless, that does not prevent me from taking into account the obligation it imposes on TFS as an example of good industry practice. In this complaint, that means that TFS was supposed to tell Mr G that the car was not going to come with USS.

However, TFS has provided metadata from its systems showing that on 17 December 2022, Mr G ordered a Model Y car, and on the same date at 4:24:36 pm he acknowledged that the USS would not be present.

Already Ackno..	UltraSonicAckDateUTC
Acknowledged	12/17/2022 4:24:36 PM

This is what Mr G would have seen at the time:

**Order Update**

**Tesla Vision**

We are taking the next step in Tesla vision. Your vehicle now fully relies on camera vision to measure distance to nearby objects, deliver active safety features, and provide Autopilot and Full-Self Driving capability (if purchased). This new approach enables improved visibility, better object detection, and greater abilities for Autopilot in the future. With this move, your Model Y is no longer equipped with ultrasonic sensors, which will temporarily impact some features. [Learn more](#)

[Proceed With Delivery](#)

Based on this evidence, I am satisfied that TFS did enough to draw this matter to Mr G's attention at the point of sale.

I have seen Mr G's email to TFS, dated 19 December 2022, in which he asked for the FSD feature to be removed. In a subsequent email the same day, he explained that this choice was because the car was too expensive with the FSD included (a price difference of about £4,000). This is not consistent with his assertion that the FSD feature was of critical importance to him. I have also seen a chain of emails between Mr G and TFS in which he complained and asked for a refund, between January and June 2023. His original complaint was that the price of the car he'd bought had been reduced shortly after he bought it.<sup>1</sup> He

<sup>1</sup> Our investigator also commented on this issue, but since it is not mentioned in Mr G's complaint form, I do not think it falls within the scope of this complaint, and so I have not addressed it here.

didn't mention the USS issue until much later, in June, after TFS told him it would not uphold his original complaint. If the USS was as important to Mr G in December 2022 as he says, I would have expected him to raise that matter sooner than that. On the balance of probabilities, I think that Mr G most likely accepted the change to Tesla Vision when he ordered the car, because his priority then was getting a new car without further delay.

### **My final decision**

So my decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 29 July 2024.

Richard Wood  
**Ombudsman**