

The complaint

Mr E complains that Blue Motor Finance Limited failed to reimburse him fully when it agreed to the rejection of a faulty car.

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here. The facts are not in dispute so instead I'll focus on giving the reasons for my 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.

Having done so, I agree with the conclusions reached by the investigator for the following reasons:

It is agreed by all parties that the car was faulty and that rejection was the appropriate remedy. I need not comment on that issue. The issue which is for me to decide is how much Mr E should contribute for fair usage before the car was taken back.

The car was acquired on 21 June 2021 and on 10 December 2021 Blue authorised rejection. In this period Mr E had covered 5,407 miles. Blue deemed that Mr E had fair use of the car during this period and said it would not reimburse any of his monthly payments prior to 10 December.

I understand that for between six to eight weeks the car was in the garage for repair. Mr E was given a courtesy car when his was not available. I gather this was a much smaller and less powerful car. This restricted what Mr E could do and he says that it impacted several planned family trips. Blue says that it is not responsible for the courtesy car and he was kept mobile throughout.

I have also noted that one of the issues Mr E encountered with the car was it was consuming excessive amounts of fuel which proved to be costly. Blue has said that as he covered a reasonable mileage it has deemed him to have had fair use. The agreement makes no reference to a mileage limit and so there is no basis for establishing what is fair usage in terms of miles covered..

The reality is that Mr E had use of a faulty car for some four months and for the rest of the time he had the use of a less suitable courtesy car which I gather had its own problems. I

don't consider it reasonable to say that he should pay the full amount due each month for a substandard experience in a faulty car.

He had to deal with taking it to and collecting it from the garage on top of the time taken to pursue the rejection. Overall, I think some reduction in his payments is merited. I agree that he should make some payment towards the use he had of the car, but I consider a reduction of 20% for the time the car was in the garage is fair, plus £250 compensation.

Putting things right

Mr E should pay a reduced amount and receive compensation.

My final decision

My final decision is that I uphold this complaint and I direct Blue Motor Finance Limited to:

- reimburse 20% of Mr E's monthly payments for the times he didn't have use of his own vehicle and
- pay him £250 compensation for the distress and inconvenience he suffered.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 26 August 2022.

Ivor Graham
Ombudsman