

The complaint

Miss D complains that a car acquired with finance from RCI Financial Services Limited wasn't of satisfactory quality.

What happened

In July 2021 Miss D was supplied with a car and entered into a finance agreement with RCI.

Miss D experienced an issue with the stop/start function not working. She complained to the dealership and the car was returned in August 2021 for investigation. The dealership told Miss D that there was nothing wrong with the stop/start finance.

Miss D continued to experience the issue. In September 2021 the car lost power and a warning light illuminated. The car was returned to the dealership and Miss D asked to reject it.

RCI issued a final response to Miss D in November 2021. It said it didn't agree that the car had a fault and asked her to collect it from the dealership.

Miss D was unhappy with the response and complained to this service.

During the course of the investigation by this service, the car was independently inspected. The engineer found that the stop/start system failed to operate and that a priority battery charge message was displayed on the dashboard.

Our investigator upheld the complaint. He said he was satisfied that the start/stop was a fault which had been present from the point of supply. The investigator said that the dealership had already had an opportunity to repair the fault, so it was reasonable to ask RCI to allow Miss D to reject the car.

RCI didn't agree. It said that no fault had been evidenced with the stop/start. It acknowledged that there was a problem with the stop/start but said this was due to low battery caused by lack of use of the car.

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.

The Consumer Rights Act 2015 is relevant to this complaint. This says that goods must be of satisfactory quality when supplied. Cars are of satisfactory quality if they are of a standard that a reasonable person would regard as acceptable, taking into account factors such as the age and mileage of the car and the price paid. The quality of goods includes their general state and condition, as well as other things including fitness for purpose, appearance and finish, freedom from minor defects, safety and durability.

The car supplied to Miss D was brand new, so I'd expect it to be of a very high quality and to remain free from minor defects for a reasonable period of time.

Miss D experienced an ongoing issue with the stop/start function within a short time of getting the car. She also experienced the car losing power and cutting out in September 2021.

I've reviewed the available evidence to determine whether the car has a fault. The car was returned to the dealership in August 2021 for a stop/start issue. There's no job card for this, but the dealership told Miss D that there was no fault with the stop/start.

The car was returned to the dealership again in September 2021 for issues with the stop/start. The job card states that the stop/start wasn't working and that the engine had cut out. The report states that no fault was found with the stop/start and that the fault codes indicated that the car had stalled, not cut out.

I've looked at the independent inspection report dated February 2022. This states that during the road test, the stop start failed to operate and a priority battery charge message was displayed. The report concluded that the battery warning light could be due to the car not having been driven for some time, or it could be the fault for the stop start. The engineer recommended that the battery should be fully charged and checked for the correct voltage, and the battery replaced if required.

RCI has said that there's no evidence that the car has a fault. It relies on information provided by the manufacturer, which says that the priority battery charge message displays when the battery needs charging, and that when the battery is low, the cars internal systems will prioritise over functions like stop/start.

Based on what I've seen, I'm satisfied that there's a fault with the stop start. This is evidenced by the engineers report, which found that the stop/start wasn't functioning. I'm satisfied that the issue has been present since the point of supply. Miss D's testimony supports this.

The independent inspection report doesn't conclude that the issue with the stop/start is caused by low battery. It suggests this as a possibility. But it also says that the low battery light might be as a result of a fault with the stop/start.

There's nothing in the job card provided by the dealership to suggest that the battery was low. The car has been returned to the dealership twice with stop/start issues. If the battery was low, I would have expected the dealership to have identified this. On balance, I don't think the stop/start fault is due to a low battery. But even if a low battery is the cause, I don't think a reasonable person would expect a battery to be low and require replacement on a brand-new car.

RCI has said that the low battery is because the car hasn't been used enough. There's no evidence to support this. The car was at the dealership for several weeks but prior to this Miss D was driving the car regularly.

Taking everything into account, and having regard to the relevant legislation which states that a car should be free from minor defects, I'm persuaded that the issue with the stop/start means that the car isn't of satisfactory quality. There isn't enough evidence to persuade me that low battery is the cause.

Putting things right

Under the relevant legislation, a business is allowed one opportunity to repair a fault. Because the car has been returned to the dealership twice with the stop/start fault, and because the independent engineer found that the stop/start wasn't functioning, I don't think

any further opportunity to repair should be given. RCI must allow Miss D to reject the car.

It's clear that Miss D has been caused inconvenience as a result of being supplied with a car which wasn't of satisfactory quality. She's had to return the car to the dealership more than once and hadn't been able to use the car since September 2021. I think it was reasonable for Miss D to stop using the car because she felt unsafe driving it. In the circumstances, I think it's fair to ask RCI to pay compensation for distress and inconvenience, and to refund all payments made since September 2021.

My final decision

My final decision is that I uphold the complaint. RCI Financial Services Limited must:

End the agreement with nothing further to pay

Arrange for the car to be collected at no cost to Miss D

Refund the deposit

Refund all payments made since September 2021

Refund all insurance payments made since September 2021

Pay 8% simple interest on all sums refunded from the date of payment to the date of settlement

Pay £100 compensation

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss D to accept or reject my decision before 7 July 2022.

Emma Davy
Ombudsman