

The complaint

Mrs T complains that a car supplied to her by Hyundai Capital UK Ltd (trading as Hyundai Finance) was misrepresented to her.

What happened

In September 2021 Mrs T entered into a conditional sale agreement with Hyundai for a new plug-in hybrid car. She says her decision was heavily influenced by information she'd seen on the manufacturer's website about the car's ability to *"Go electric at the push of a button."*

Mrs T says she chose this car to try to achieve the maximum amount of travel using electric power. She says she told the dealer she'd be charging the vehicle using free electricity generated by solar panels on her home – so she expected so there be no cost for her frequent short journeys.

But Mrs T was disappointed to find that, even in all-electric mode, the internal combustion engine (ICE) runs frequently. She says this often happens within a few hundred yards of the journey starting, when the battery is fully charged.

Mrs T took the car back to the dealer for testing. But the dealer said it was running as it should. They said the ICE was coming on to support other functions, such as heating and de-misting.

Mrs T complained to Hyundai that the car had been misdescribed and mis-sold to her. But Hyundai didn't agree. They said the dealer had confirmed there isn't a fault with the way the car is performing – and that it would complete the desired consumption in the ideal circumstances if the heating wasn't set as high. They said the manufacturer's website stated:

"These figures may not reflect real life driving results, which will depend upon a number of factors including the accessories fitted (post registration), variations in weather, driving styles and vehicle load".

Our investigator made Mrs T aware of an offer from the dealer to buy back the vehicle at the current market value. Mrs T rejected this. She felt the car operated more as a normal hybrid, so Hyundai should refund the difference in the price she'd paid for this plug-in version.

Our investigator didn't uphold Mrs T's complaint. He said he didn't have any evidence to suggest there's a fault with the car - and he hadn't seen anything on Hyundai's website or in the information Mrs T had been provided that persuaded him the car had been misrepresented.

The investigator thought the paragraph Hyundai had referenced on the manufacturer's website should be taken to relate to the overall performance and efficiency of the car, as well as its emissions. He felt it was reasonable to conclude the factors quoted (including variations in weather and driving styles) also apply to the operation of the electric-only mode - and that use of features that use electricity such as the heater would drain the battery quickly, or require additional power from the ICE.

Mrs T said her complaint wasn't that the car was faulty – or about its emissions – but that that its operating characteristics had been misrepresented.

Mrs T said Hyundai's website contained statements that were untrue, ambiguous, and misleading. She thought the apparent requirement for the ICE to run when the air conditioning is set to a particular temperature should have been explained. She said she'd provided fuel consumption figures to show the car doesn't in fact run in all-electric mode.

Mrs T said Hyundai's offer to buy the car back at current market value would leave her at a financial loss – and wouldn't compensate her for the trouble she'd been caused. She asked for an ombudsman to review her complaint.

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.

Mrs T's complaint is about a car supplied under a conditional sale agreement. Entering into consumer credit contracts like this as a lender is a regulated activity. So, I'm satisfied I can look into Mrs T's concerns about Hyundai.

Mrs T complains that the car was misrepresented to her. For me to uphold this complaint I'd need to be satisfied that a false statement of fact was made - and that this led Mrs T to enter into the agreement for the car.

Section 56 of the Consumer Credit Act 1974 (CCA) says a lender like Hyundai may be liable for what's said in pre-contract discussions, like the ones Mrs T had with the dealer before she signed the agreement.

Mrs T feels strongly that the manufacturer's website suggests the car won't use the ICE until the electric capacity has been completely drained. She's quoted a section of the website which says:

"Go electric at the push of a button. Once the all-electric mode is depleted the vehicle can continue on automatically in hybrid mode".

I've considered what Mrs T has said here. But I don't find this to state or imply that the hybrid drive system will *only* come into operation after the all-electric range has been used up. And it doesn't state that the all-electric mode will work under all conditions.

The evidence I've seen shows that, when the dealer tested the car, it was found to be operating correctly. They noted that, when Mrs T brought the car in, the climate control had been set to 26 degrees. The dealer advised that the additional power required to maintain this temperature would cause the ICE to cut in.

I've seen nothing to suggest this car doesn't run in all-electric mode whilst using the heating functions to maintain an average internal temperature. I've seen evidence confirming the vehicle was noted to run on electric power - without assistance from the ICE - when the dealer had set the climate control to 18.5 degrees.

Mrs T says the manufacturer's website and sales staff should have made it clear that using the climate control for heating or cooling the vehicle would cause the ICE to start. But I consider an internal temperature of 26 degrees to be above what an average consumer would set the climate control at. So, I wouldn't expect the dealer or manufacturer's website

to specifically provide information about the car's ability to maintain that kind of temperature in all-electric mode.

Thinking about all of this, I'm satisfied that it's likely Mrs T's car could run on electric only power until the battery is depleted - under the right conditions. And I don't think she was told the car would run on electric power only under *all* conditions. It follows that I don't think what she was told about the car was a 'false statement of fact'. So, I'm satisfied the car wasn't misrepresented to her.

I want to reassure Mrs T that I've carefully considered all the other information, quotes and evidence she's sent to us. But I'm satisfied on balance that she wasn't told the car will run in all-electric mode under all conditions. So, this doesn't change my opinion.

Mrs T has provided information she's recorded, showing the car's fuel consumption since November 2021. She's calculated the car's fuel consumption to have been between 47.7 and 49.7 miles per gallon. She says these figures clearly show the car isn't operating using only the battery.

But I've seen no information about the way the car was driven, the conditions nor the distance she travelled each time she recorded the amount of fuel used. So I'm unable to comment on the fuel economy the car achieved.

I appreciate Mrs T has made a significant investment in technology to enable her to maximise her use of cheaper and more environmentally-friendly power sources. And I can understand her disappointment that the car isn't performing in the way she'd hoped.

But I don't think Hyundai need to do anything to resolve Mrs T's complaint, because I'm not persuaded that the car was misrepresented to her.

My final decision

For the reasons I've explained, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs T to accept or reject my decision before 30 August 2022.

Corinne Brown
Ombudsman