

The complaint

Miss I complains that a car supplied under a agreement with Leasys UK Ltd wasn't of satisfactory quality.

What happened

In August 2019 Miss I was supplied with a car and entered into a personal contract hire agreement with Leasys.

Miss I was unhappy with the quality of the car. When it was delivered, there were scratches on the alloy wheels, a dent in one of the doors, a faulty taillight and missing air caps.

Miss I contacted the broker who advised her that the issues could be repaired.

Following repairs, the car was returned to Miss I. The initial issues had been repaired but there was further damage to the car. Miss I asked to arrange GAP insurance, Scratch Protect and Alloy Protect but was advised that she needed to have purchased these products within 90 days of the point of supply.

Miss I complained to Leasys. In its final response, Leasys said it had tried to contact Miss I to investigate her concerns about the quality of the car but had been unsuccessful in speaking with her. It said it was unable to uphold the complaint as it hadn't seen any evidence that the car was of unsatisfactory quality. With regards to the GAP insurance and after care products, Leasys said Miss I would have to take this up with the broker, as it was responsible for the sale of these products.

Miss I was unhappy with Leasys response and brought her complaint to this service.

Our investigator upheld the complaint. He said he was satisfied that there were defects with the car when it was supplied and that there was further damage after the repairs had been carried out. The investigator noted that a lot of Miss I's complaint points related to the service she'd received from the broker and explained that these issues couldn't be looked into as part of a complaint against Leasys, because Leasys – as the finance provider - wasn't responsible for the actions of the broker. The investigator said that Leasys hadn't persuaded him that it had tried to contact Miss I about her complaint and acknowledge that Miss I had suffered some loss of enjoyment due to the issues with the car. He said he thought Leasys should pay compensation of £150 for distress and inconvenience and refund 5% of all monthly payments made by Miss I.

Miss I didn't agree. She didn't think the compensation reflected the extent of distress and inconvenience she'd suffered. She set out in some detail the impact that the issues with the car had caused.

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.

In considering this complaint, I've had regard to the relevant law, guidance, standards, codes of practice and what I consider to have been good industry practice at the time.

Miss I was supplied with a car under a hire agreement, which is a regulated consumer credit agreement and one which we have the power to look into a complaint about.

The Consumer Rights Act 2015 is relevant to this case. It implies that the supplier of goods – Leasys – was required to ensure that the car was of satisfactory quality. In determining what is satisfactory quality, the CRA sets out factors which should be considered, such as the age and mileage of the car and the price paid. Satisfactory quality also includes factors such as fitness for purpose, freedom from minor defects, safety and durability.

Miss I was supplied with a brand new car. So I think it's fair to say that Miss I had an expectation that the car would be of a very high standard and that it wouldn't break or fail within a reasonable period.

From what's been said by all parties involved in this case, it's clear that there were faults with the car when it was supplied. It's accepted by Miss I that these faults were repaired. But there was further damage when the car was returned to her.

I can see that Miss I raised the further damage with both the repairing garage and the broker. The damage included scratches to the passenger door and the bumper. I've looked at the photos which Miss I supplied at the time. I can see that there are scratches to the door and bumper.

Because the car had faults when it was supplied, I'm of the view that it wasn't of satisfactory quality. Under the relevant legislation, the business is allowed one opportunity to repair. Because the car was returned to Miss I with further damage after it had been repaired, I'm of the view that the car remained of unsatisfactory quality. Miss I could've rejected the car at this point. She's told this service that she decided not to reject the car because the agreement was coming to an end.

Miss I has raised a number of complaint points. Many of these relate to the service which she received from the broker. I appreciate that Miss I has had a frustrating experience. However, I can't fairly hold Leasys responsible for issues which don't arise out of the finance agreement.

That said, I think Leasys should accept some responsibility for what has gone wrong here. The car wasn't of satisfactory quality when it was supplied, and this has impacted on Miss I. She's had to return that car for repairs at a cost and an inconvenience to herself, at a time when she was trying to deal with several family related issues as well. She's had to drive the car with damage, which has spoiled her enjoyment of it. And she's said that she didn't hear from Leasys when she raised her complaint, despite Leasys saying that it tried to contact her. I haven't seen any evidence of Leasys attempts to contact Miss I, so I'm minded to conclude that it failed to do so.

Putting things right

To put things right, I think Leasys should refund a proportion of Miss I's monthly payments and pay compensation for distress and inconvenience. I've considered what level of refund and compensation is fair and reasonable in all the circumstances and I agree with the figures suggested by the investigator.

My final decision

My final decision is that I uphold the complaint. Leasys UK Ltd must:

Refund 5% of all monthly payments made by Miss I under the agreement together with 8% simple interest per annum on all amounts refunded from the date of payment to the date of settlement

Pay compensation of £150 for distress and inconvenience

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss I to accept or reject my decision before 8 November 2022.

Emma Davy
Ombudsman