

The complaint

Mr F complains that car he acquired through a Hire Purchase Agreement (HPA) with Toyota Financial Services (UK) No 2 PLC (TFS) wasn't fit for purpose. He would like to reject the car and be compensated for loss of earnings as well as distress and inconvenience.

What happened

The details of this complaint are well known to both parties so I won't repeat them again here instead I will 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 have reached the following conclusions:-

- Mr F took out his HPA for a three-year-old car with approximately 13000 miles on the clock in April 2022. Although used cars might reasonably have more wear and tear issues than new ones we do expect them to be fit for purpose at the point of sale. It's clear from the information I have seen that Mr F had problems with noise when using the car within weeks of getting it. When issues arise within six months of purchase we usually say it's the business responsibility to see if there is a point of sale issue for which it is responsible.
- I have seen the job card completed by the dealership in May 2022 which confirmed a noise with the brakes. It carried out some deglazing work but couldn't find other issues. Mr F had the car looked at by another garage on 10 June 2022 who were able to replicate the noise but couldn't pinpoint the exact problem. Finally, Mr F supplied video evidence of a mechanic inspecting the car. This mechanic replicated the noise which he felt indicated too much movement in the engine and gear box. He did say this could be down to wear and tear but also noted that as Mr F hadn't had the car that long he felt it was unlikely and recommended further inspection. From all this information I am persuaded there was an issue from within weeks of Mr F getting the car that wasn't resolved by the deglazing work the dealership carried out.
- I am surprised, given how early in Mr F's HP agreement the issues arouse that TFS didn't commission an independent report. And given the comments by the mechanic on the video about further investigation I have considered if it would be reasonable to ask for this. However as the car has been looked at by at least three individuals all of whom found an issue but weren't able to definitively identify what the problem was or to resolve it an independent report may be similarly inconclusive and would further delay resolving Mr F's complaint. So, I have concluded it is fair to go with the evidence that I have.
- I have considered TFS's points that Mr F uses the car for business and as such uses more mileage than he would if the car were just for personal use. That is a fair point but the issues arose so soon after Mr F got the car that I don't think it's reasonable

to conclude that his use of the car solely caused the issue. Also, although the car is a used one given the age and mileage I think Mr F could have reasonably expected to have use of it for some time before issues arose.

- I think it's fair to allow Mr F to reject the car and I agree with the redress our investigator suggested as detailed below. I don't think I can reasonably ask TFS to compensate Mr F for lost earnings as he has requested – he hasn't evidenced this. Nor do I think it's reasonable to refund any further investigative work Mr F has sought since we didn't ask him to do this during the investigation

My final decision

My final decision is that I uphold this complaint.

In full and final settlement Toyota Financial Services (UK) No 2 PLC should :-

- Collect the car from Mr F at no cost to him.
- End Mr F's agreement with nothing further to pay and refund Mr F's deposit with 8% simple yearly interest from the date of payment to the date of settlement.
- Refund 10% of the monthly payments Mr F made from the date of the agreement to the date of settlement to cover loss or impaired use of the car with 8% simple yearly interest from the date of payment to the date of settlement.
- Refund the cost of the diagnostic report Mr F commissioned (£45)
- Pay Mr F £300 for the trouble and upset caused.
- Remove any adverse data relating to this agreement from Mr F's credit file in relation to this agreement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 20 March 2023.

Bridget Makins
Ombudsman