

## **The complaint**

Miss P complains about the quality of a car she has been financing through an agreement with Vauxhall Finance plc, who I'll call "Vauxhall Finance".

## **What happened**

The details of this complaint are well known to both parties, so I won't repeat them again here. Instead, I'll focus on giving my reasons for my decision.

Miss P has been represented by her mother but as Miss P is named on the finance agreement, and for convenience, I'll refer only to her in this decision. I mean no disrespect to Miss P's mother when doing so.

## **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.

I know it will disappoint Vauxhall Finance, but I think this car hasn't been of satisfactory quality and they need to put things right for Miss P.

Where the information I've got is incomplete, unclear, or contradictory, as some of it is here I have to base my decision on the balance of probabilities.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

Miss P acquired her car under a regulated consumer credit agreement and as a result our service is able to look into complaints about it.

The Consumer Rights Act (2015) is the relevant legislation. It says that the car should have been of satisfactory quality when supplied. If it wasn't then Vauxhall Finance, who are also the supplier of the car, are responsible. The relevant law also says the quality of goods is satisfactory if they meet the standard that a reasonable person would consider satisfactory taking into account any description of the goods, the price and all the other relevant circumstances.

In a case like this which involves a car the other relevant circumstances would include things like the age and mileage at the time the car was supplied to Miss P. The car here was about three and a half years old and had already completed about 28,000 miles. So, I don't think a reasonable person would expect it to be fault free, as would perhaps be the case with a brand new car.

The relevant legislation explains that when we think about whether goods have been of satisfactory quality we should consider whether they have been durable. I'm not persuaded

this car has been durable as the timing/cam belt failed at about 44,000 miles and online research and advice from our internal experts suggests the belt should last 100,000 miles or more than ten years if a car has been serviced correctly. It therefore seems likely this cam belt has failed prematurely, and the car has therefore not been durable.

### **Putting things right**

The relevant legislation gives the business one opportunity to repair a fault such as this, so I think Vauxhall Finance should arrange that repair for Miss P.

It's not fair to expect Miss P to pay for a car she hasn't been able to use since February 2023. So, Vauxhall Finance should refund any finance instalments she's paid from the date the car broke down (7 February 2023) until the date the car is repaired and returned to Miss P. Vauxhall Finance should add interest to any refund as Miss P has been deprived of the money. If any finance instalments were due but haven't been paid in that period Vauxhall Finance should waive them

Miss P has been inconvenienced by these issues. She's had to have the car recovered, has been chased by the dealership for storage costs, and hasn't been kept mobile so has had to stay with a friend, closer to work, so she could get in on time. In the circumstances I think Vauxhall Finance should pay her £250 in compensation.

Miss P has also explained she's continued to insure the car whilst it's been off the road, and I think Vauxhall Finance should provide a pro rata refund of any insurance she's had to pay since the car broke down and until the car is returned to Miss P. They'll need to add interest to that refund as well, and for the same reasons.

There's a suggestion that the dealership may be seeking to charge storage costs. It's not fair for Miss P to incur those charges as a result of financing a car that was of unsatisfactory quality. So, Vauxhall Finance will need to pay those if a charge is raised.

### **My final decision**

For the reasons I've given above I uphold this complaint and tell Vauxhall Finance plc to:

- Repair the car at no cost to Miss P.
- Refund any finance instalments Miss P has paid since the car broke down on 7 February 2023 and until the car is successfully repaired. Add 8% simple interest\* per year to the refund, from the date of payment to the date of settlement.
- Pay Miss P £250 to compensate her for the distress and inconvenience she's experienced.
- Provide a pro-rata refund of any insurance costs Miss P has incurred if Miss P can provide proof of payment. Add 8% simple interest\* per year to the refund, from the date of payment to the date of settlement.
- Remove any adverse reports they may have made to Miss P's credit file in relation to this issue.
- Pay any storage costs that Miss P may be charged by the dealership.

\*If HM Revenue & Customs requires the business to take off tax from this interest they must give the consumer a certificate showing how much tax it's taken off if the consumer asks for

one.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss P to accept or reject my decision before 20 June 2023.

Phillip McMahon  
**Ombudsman**