

The complaint

Mrs D complains about the quality of the vehicle she acquired from Suzuki Financial Services Limited ("Suzuki").

What happened

Mrs D entered into a hire purchase agreement in October 2019 to acquire a new car. In February 2023 Mrs D complained to Suzuki about the car. She said she'd had numerous issues with it and had had to have several repairs carried out. She now felt enough was enough and she wanted to reject the car without having the current problems repaired.

Suzuki investigated, including getting an independent report commissioned. They sent their final response letter (FRL) in March 2023. They partly upheld the complaint, agreeing that there was a fault with the vehicle leaning to one side, and offered to cover the cost of repairs for that issue. They didn't agree that other issues Mrs D had complained about should be upheld or compensated. Most had already been repaired, and they didn't agree that there was a problem with water ingress or a leak as Mrs D had claimed.

Mrs D didn't agree with this offer and brought the complaint to our service. An investigator here investigated the complaint, and their initial view was issued in November 2023. They upheld the complaint, saying that Mrs D should be able to reject the car, and saying that she should receive her deposit back, plus £200 for the distress and inconvenience. Whilst Suzuki could retain her monthly payments as payment for the fair usage of the car that she'd had over the agreement.

After some discussions, both parties accepted this view, and the case was closed. However, in December 2023, when Suzuki went to take back ownership of the car in processing the rejection, they came back to us and said Mrs D had refinanced the balloon payment to own the car, so they couldn't process the rejection.

When the investigator reached out to Mrs D to query this, she explained that she had to do this, or she was being left without a car, and because the view issued hadn't found fault with a particular water ingress problem she said was ongoing, she had to keep the car. But she still wanted to get her deposit refunded.

The investigator re-opened the case and issued a second view at this point in December 2023. They said that as Mrs D had subsequently decided to keep the car and pay off the finance, it was no longer fair for her to receive her deposit back, as she would in effect benefit twice in keeping the asset and receiving the deposit back. They said that as she had decided to refinance the balloon payment and keep the car, they felt that she had decided she was happy to keep the car, so they were now not upholding the complaint or asking Suzuki to do anything more.

Suzuki accepted this, and subsequently said they were still prepared to offer to cover the costs of the repair for the leaning of the car, as well as to pay the £200 distress and inconvenience as originally agreed, if Mrs D decided she wanted these.

Mrs D didn't agree with this subsequent view. She said that as our original view had found Suzuki at fault, she should be due compensation. Just because the original proposed compensation wasn't now applicable, she should still get compensation for the reduced value of the car. She also said that we had even absolved Suzuki of responsibility for their own original offer to pay £200 compensation and to fix the issue with the car leaning.

She asked for an Ombudsman to make a final decision, so the case has been passed to me for this.

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.

This is an unusual situation where the complaint has changed along the way. This was a complaint about the satisfactory quality of the car, where Mrs D was clear she had lost faith in the car and wanted to reject it.

Suzuki in their FRL had agreed the car was not of satisfactory quality, although not agreeing with all of the problems Mrs D had raised. They had then offered to cover the costs of the repairs they agreed were needed for Mrs D. Following the investigation into those issues at our service, both parties agreed that Mrs D could instead reject the car. This was on the basis that Suzuki had already had opportunities to repair the car, and under her rights provided in the Consumer Rights Act 2015 (CRA), Mrs D was now entitled to ask to reject it. The view from our investigator set out that Suzuki should collect the car from Mrs D, end the agreement, and give her back her deposit she had paid almost four years previously.

There was no discussion or suggestion that Mrs D could keep the car; indeed, she had been clear to us that she didn't want to pay the balloon payment and keep it as she had lost faith in the car. Alongside this, when she was contacted in December to discuss what was happening, she didn't say she still wanted to give the car back and get her deposit back. She said she had needed to keep the car but felt should still get her deposit back as compensation.

I'm afraid this isn't how the process of rejection works and doesn't fit with the discussions we had with Mrs D about the resolution our investigator had proposed. And this amount of compensation would not be fair in the circumstances of this complaint. In their original FRL, Suzuki had offered to cover the cost of repairs for the car leaning, and to give her £200 compensation on top of this. She had rejected this and brought the complaint to our service.

Her concerns raised with us originally focused on a problem with a leak or build up of water in the cabin of the car, which she told us was causing a build-up of water in the roof area. There wasn't any independent evidence of this, but Mrs D had told us that this had been an ongoing problem since not long after she acquired the car, which she had tried to resolve with the business but hadn't managed to do so.

In our investigation, the investigator gave their view that they weren't persuaded that this particular fault was present from the evidence we had seen which included an independent report produced. But the investigator said that looking at the other faults, they were persuaded that the car had suffered several other issues previously that had been repaired, and also that the car was currently leaning which also needed repairing. On that basis, the investigator said that Mrs D could reject the car, rather than her having to allow Suzuki to carry out another repair to fix the problem with the car leaning.

This view gave Mrs D the outcome she had told us that she wanted, to reject the car, despite

the investigator not being able to uphold her specific concerns about a leak/condensation problem.

In deciding instead to refinance the balloon payment and to keep the car, Mrs D has chosen not to accept the previously agreed resolution to end the agreement and reject the car. She had instead chosen to accept the car, and to keep it. As she had also prior to this chosen not to accept the offer of a repair and £200 compensation from Suzuki, her options under the CRA to resolve things have been exhausted.

She told us that she felt she should still get compensation, in the form of the return of her deposit, but I don't agree with this. This was offered as part of the process of rejecting of the car. In this instance, Suzuki would have received the car back, and in exchange, she would have got her deposit back. As she's chosen to keep the car, she wouldn't be entitled to her deposit back as well.

She's had four years of use of the vehicle, and whilst there have been some occasional issues that have needed to be repaired along the way, these haven't had a significant impact on her use of the car. There has been no evidence provided of a level of distress or inconvenience that might warrant compensation of several thousand pounds.

Mrs D also told us that she's lost out on the value of the car. She believes that the problem with water ingress means the car has less value. However, as explained, we haven't upheld that element of her complaint. With no evidence to show this problem, I don't uphold this part of her complaint and don't agree that it's impacted the value of her car.

Our investigator raised the question about the value of the vehicle in their view, where they explained that they felt rejection with a full return of Mrs D's deposit was still fair after almost four years. They explained that the car seemed to have held its value very well from looking at online guides, so they felt this offered a fair compromise to both parties, where Mrs D would get her significant deposit back in full despite having had four years use of the car, and Suzuki would get a car back which would likely be worth more than expected at the beginning of the agreement once the repairs were carried out.

So, I've seen no evidence that persuades me Mrs D has lost any value in the car due to any problems with the car. And equally, if she felt this was the case, she could have rejected the car, as she had agreed to do, without making the balloon payment to own it. Then she wouldn't have had any issue with its ongoing value.

I agree with the investigator here when they subsequently didn't uphold the complaint. Mrs D had told us she didn't want the repair offered originally by Suzuki and the £200 compensation, and then in refinancing the car, she's decided not to accept the rejection of the vehicle that was recommended by the investigator.

I'm satisfied that as previously agreed by both parties, the car was of unsatisfactory quality. However, there is no evidence that persuades me of any water ingress or problem with condensation. An independent inspection was carried out looking for this specific issue and was unable to find or replicate any problem. I am persuaded by this that there isn't a leak or fault.

Suzuki made an offer originally in their FRL to repair the problem with the car leaning and to pay £200 compensation for the distress and inconvenience caused. That offer was a fair one under the CRA, but Mrs D said she didn't want to accept that, and instead wanted to reject the car. That was also a fair resolution to the complaint under the options available in the CRA to put things right.

However, Mrs D has now decided to accept the car as it is and chosen to keep it. So, she declined the offer made by the business to repair it and has also chosen not to carry out the rejection of the car. Under the CRA, the reasonable remedies available to Mrs D for a car of unsatisfactory quality would be a repair, or a rejection of the car. There are no other suitable remedies available to her here, and no entitlement to more compensation.

As such, there is nothing further for me to do. I agree that Mrs D would have been entitled to reject the car, as recommended by our investigator. But in deciding instead to keep the car, she has chosen not to carry that out.

Alongside this, I'm satisfied that the offer Suzuki made originally to repair the car and pay Mrs D £200 compensation was fair, and I won't be asking Suzuki to do anything further. Suzuki have confirmed to our service in January 2024 that this offer still remains open to Mrs D, so if she decides she now wants to accept it, I suggest she contacts Suzuki directly to make arrangements for this. But I won't be asking Suzuki to do anything further than this offer they made in their FRL.

My final decision

I am not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs D to accept or reject my decision before 15 March 2024.

Paul Cronin
Ombudsman