

The complaint

Mr B complains about the quality of a car supplied to him by Mercedes-Benz Financial Services UK Limited ("MBFS").

What happened

Mr B acquired a used car under a 48 month hire purchase agreement with MBFS in December 2022. The car cost £20,222. A deposit of £6,370.96 was put towards the agreement. Under the agreement, Mr B was required to make 48 payments of £366.32, followed by a £10 option to purchase fee, if he wanted to keep the car. The total amount payable under the agreement, including the deposit, was £23,964.32. At the time the car was supplied to Mr B, it was around four years old and the mileage was reported as 27,448. The car was supplied by a garage I'll refer to as "D".

Before agreeing to be supplied the car, Mr B pointed out some damage that he noted to the car. D agreed to repair the damage. After most of the work had been carried out, Mr B agreed to be supplied the car. Following receipt of the car, Mr B noted there was some tar or glue stuck on the rear driver's side door and this was embedded into the panel.

In January 2023, the windscreen was replaced and a new spare key was provided. In early February 2023, there was a cosmetic smart repair carried out. Later that month, the windscreen required replacement for a second time and the Eco stop start function and control unit needed replacing. All of these repairs were carried out under warranty. Mr B told D he wanted to reject the car.

Mr B also complained to MBFS and said he had lost faith in the car. He said he wanted to reject the car.

In October 2023, a sensor, glow plug and Ad Blue tank required replacement. This work was carried out under warranty.

MBFS issued its response to Mr B's complaint in November 2023. It said the faults Mr B had complained about weren't manufacturing faults and had occurred due to external influences. It also said the repairs had been carried out under warranty. Whilst it didn't accept Mr B's rejection of the car, it offered Mr B £250 for any distress and inconvenience caused.

Unhappy, Mr B referred a complaint to this service. He said the car was dangerous and faulty and the 12 month warranty would expire in December 2023. He said the sensors would alert him there was something next to him whilst driving, but there wasn't. And he mentioned that brake automatically applied at high speeds. He also said the car auto locked when he was driving. He said because the car had outstanding problems, he was worried he would have to pay for repairs himself.

Mr B said he wanted to reject the car. He also said that when the car was sold to him, an extra £2,000 was added to the total price of the car for a paint protection or some extra that he wasn't told about. However, he noticed the extra charge, it was removed and he proceeded with agreeing to be supplied the car. He also said initially, the spare key was lost by D and the wipers were making a terrible noise. Mr B said he didn't accept the £250 MBFS had offered him, but despite this, it paid this amount to him.

Our investigator looked into the complaint and said it was likely there was a fault with the car. However, she said Mr B accepted repairs for each of the issues he complained about

and these repairs were successful. She said when repairs were carried out, a courtesy car was provided to Mr B and so, it wouldn't be fair to ask MBFS to refund any monthly payments. She said the £250 paid by MBFS was fair and reasonable in the circumstances.

Mr B disagreed. He said the car had been in for repairs nine times for various problems and it had non-stop problems.

Our investigator said she couldn't look at any new issues Mr B had raised as MBFS hadn't had an opportunity to investigate a complaint about these.

Mr B said that D hadn't supplied all the information to MBFS. He also said that there were other issues with the car that he didn't report.

Our investigator said she had only received information about the repairs she had mentioned and all of these repairs were successful. She said Mr B would need to raise any new issues with MBFS in the first instance.

As Mr B remains in disagreement, the case has been passed to me to decide.

As part of this decision, I won't be considering Mr B's complaint about warning sensors, doors failing to unlock, automatic braking and the additional amount he says was previously added to his agreement. Mr B has confirmed he didn't complain about these issues to MBFS and MBFS has said Mr B needs to complain to it in the first instance. Mr B will need to complain to MBFS in the first instance and if he remains unhappy with its response, he may be able to refer a complaint to this service subject to meeting the relevant jurisdiction criteria.

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.

Where evidence is incomplete, inconsistent or contradictory, I reach my view on the balance of probabilities – in other words, what I consider most likely to have happened in light of the available evidence and wider circumstances.

In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and (if appropriate) what I consider was good industry practice at the time.

Both parties have provided a good deal of evidence, so I've had to summarise things in this decision. The rules of our service allow me to do this, but I want to assure the parties, if I don't mention every single point that's been raised, it's not because I haven't thought about it. I have considered everything that's been said and sent to us. However, I'm going to concentrate here on what I consider is key to reaching a fair and reasonable outcome overall.

What I need to decide in this case is whether the car supplied to Mr B was of satisfactory quality. If I don't think it was, I'll need to think what's fair, if anything, to put things right.

The finance agreement in this case is a regulated hire purchase agreement. So our service is able to consider complaints relating to it. MBFS is the supplier of the car under this type of agreement and so is responsible for dealing with a complaint about its quality.

The Consumer Rights Act 2015 ("CRA") covers hire purchase agreements. Under a hire purchase agreement, there are implied conditions that the goods supplied will be of satisfactory quality.

Mr B acquired a car that was used – so there would be different expectations compared to a new car. Having said that, the car's condition at the point of supply, should have met the standard a reasonable person would consider satisfactory, taking into account its age, mileage and price. The CRA says the aspects of the quality of the goods includes their

general state and condition alongside other things such as their fitness for purpose, appearance and finish, freedom from minor defects, safety, and durability.

In this case, I can see that a couple of days after being supplied the car, the windscreen wipers were changed. Following this, Mr B let D know that the windscreen was badly scratched and he thought it was due to old wipers. The windscreen was replaced twice. Repairs were also carried out to the stop start control system, sensors, glow plug and the AdBlue tank was replaced.

Having reviewed this, I'm satisfied that the car supplied to Mr B had faults. This is because I have seen a number of job sheets confirming the issue and confirmation of the repairs carried out. I now need to consider whether these faults make the car of unsatisfactory quality.

I've seen an email chain between Mr B and D dated the day after Mr B acquired the car. I can see that Mr B complained about the wipers making noise and that he was worried it would cause damage to the windscreen. The job sheet provided confirms that the wipers were replaced at no cost to Mr B. It doesn't confirm why the issue occurred however.

In December 2023, Mr B complained about the windscreen. Following the car being taken to D by Mr B, D agreed to replace the windscreen. This was completed in January 2023, alongside some cosmetic repairs. The repairs in early February 2023 were for an offside sill touch up. Whilst I've seen a copy of the job sheet for this work, I haven't been provided with a picture of this.

I can also see that the windscreen was replaced later in February 2023, alongside new wipers and the stop start control unit. In October 2023, an AdBlue fault appeared on the dashboard of the car. The car was taken to D and it found stored fault codes. It removed and replaced the AdBlue tank.

It's not confirmed why these repairs were required, but having considered them as a whole, I don't consider that a car which is four years old with around 27,500 miles at the point of supply would require these repairs. I say this because the issue with the wipers and the windscreen were identified soon after the car was supplied. In addition, the stop start control unit and AdBlue tank needed replacing. I consider that these were replaced prematurely and I don't think it's reasonable to expect these issues would occur on a car that hadn't done substantial mileage. Public records show that the mileage of the car in August 2023 was 39,501.

Given the age and mileage of the car at the time of supply, I think Mr B was reasonably entitled to expect that the car would last a reasonable amount of time without any significant problems. However, the car was repaired on a number of occasions by D before and after it was supplied to Mr B. There is no supporting information to suggest that Mr B didn't maintain the car as he was expected to. So, I consider that the faults with the car were likely present or developing at the time the car was supplied to Mr B by D. It follows that I don't think the car was of satisfactory quality when it was supplied to Mr B.

I've gone on to think about what, if anything, MBFS needs to do to put things right.

Having done so, I don't think MBFS needs to do anything to put things right. I'll explain why.

Mr B let D know about the faults that occurred to the car and D agreed to repair the faults. All the faults were rectified at no cost to Mr B. When Mr B accepted repairs for the faults that occurred, he lost his right to reject the car. I could only put this aside if the repairs were not carried out within a reasonable time and without significant inconvenience. However, the repairs were completed promptly and Mr B was provided with a courtesy car when repairs were carried out. So because Mr B accepted repairs and these repairs were carried out within a reasonable time and without significant inconvenience, Mr B can no longer reject the car.

In addition, MBFS has confirmed that Mr B let it know in April 2024 that he was selling the car to a third party. He has now done this. As a result of this, Mr B can no longer reject the car as he is no longer in possession of it.

Mr B has said he took the car to D a number of times and I don't dispute this. I'm satisfied that he was caused inconvenience as a result of this and I appreciate he was likely distressed due to some of the faults that occurred to the car. However, I consider that the £250 MBFS has already paid to Mr B is fair and reasonable in the circumstances.

My final decision

I do not uphold Mr B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 16 December 2024.

Sonia Ahmed
Ombudsman