

## **The complaint**

Mrs C is unhappy that a car supplied to her under a hire purchase agreement with RCI Financial Services Limited (RCI) was of an unsatisfactory quality.

When I refer to what Mrs C has said and what RCI have said, it should also be taken to include things said on their behalf. In this case Mrs C is being represented by her husband but to keep things simple I will refer only to Mrs C.

## **What happened**

In August 2022, Mrs C was supplied with a new car through a hire purchase agreement with RCI. The cash price was £16,590, she made an initial payment of £1,000, and credit was for £15,590.00 with a total amount payable of £19,191.32. She made a first repayment of £248.50 plus any finance facility fee that was payable, this to be followed by £248.50 for 46 months followed by one monthly repayment of £248.25 and a final payment of £6,263.57. At the time of supply, the car was new and had done zero miles.

Mrs C complains she had problems relating to warning lights coming on from the first 30 days of buying the vehicle. These issues were considered under an earlier complaint which was brought to our service and addressed separately, so I will focus on the issues raised in this complaint.

Mrs C was concerned about rust on the brake discs of the car. This was identified around March 2023 and although the dealership stated there was no manufacturer problem with the brake discs, the manufacturer agreed to pay to replace them as a gesture of good will and this was carried out in September 2023. In addition, the manufacturer paid Mrs C £1,000 as a further gesture of goodwill. Mrs C noticed rust on the brake discs again in November 2023 and took the car back to the dealership. They completed diagnostic tests and took photographs but found no manufacturer defect and so would not replace the brake discs.

Mrs C complained to RCI, who referred to the dealership who had assessed the car. They confirmed no manufacturer's defect was found and said that rust is caused by external influences such as harsh or corrosive materials used during the cleaning process or weather conditions, and so RCI also said they would not pay for replacement brake discs.

Mrs C was unhappy with this response, so she referred her complaint to the Financial Ombudsman Service for investigation.

Since referring this complaint to the Financial Ombudsman Service Mrs C raised a further fault about the car and said there is a rattle from the engine and suspension. Mrs C logged this with RCI who did not respond within eight weeks.

Our investigator said that although this was a new car when supplied, the issue with the brake discs was raised after Mrs C had the car for around eight months. Although they said there was no manufacturer's fault found the dealership replaced the discs once as a gesture of goodwill, and as they have found no faults and have not advised any repairs or replacements following the second complaint about the brake discs, he did not think the

brake discs were faulty or that RCI need take any further action.

Our investigator also considered Mrs C's further complaint about the rattle but was not able to find the presence of a fault from the evidence provided.

Mrs C didn't agree with the investigator. She said she would not expect the brake discs to rust and would expect them to be replaced. She also highlighted the rattle she had complained about in the engine and suspension. Mrs C believes she should be allowed to reject the car pursuant to her rights under the Consumer Rights Act 2015 as this was another fault on a list of faults since the car was supplied to her.

Because Mrs C didn't agree, this matter has been passed to me to make a final 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've reached the same overall conclusions as the investigator, and for broadly the same reasons. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome. Where evidence has been incomplete or contradictory, I've reached my view on the balance of probabilities – what I think is most likely to have happened given 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. Mrs C was supplied with a car under a hire purchase agreement. This is a regulated consumer credit agreement which means we can investigate complaints about it.

The Consumer Rights Act 2015 (CRA) covers agreements such as the one Mrs C entered into. Under this agreement, there is an implied term that the goods supplied will be of satisfactory quality. The CRA says that goods will be considered of satisfactory quality where they meet the standard that a reasonable person would consider satisfactory – taking into account the description of the goods, the price paid, and other relevant circumstances.

I think in this case those relevant circumstances include, but are not limited to, the age and mileage of the car and the cash price. The CRA says the quality of the goods includes their general state and condition, as well as other things like their fitness for purpose, appearance and finish, freedom from minor defects, safety, and durability.

So, if I thought the car was faulty when Mrs C took possession of it, or that the car wasn't sufficiently durable, and this made the car not of a satisfactory quality, it would be fair and reasonable to ask RCI to put this right.

I've considered if there was a fault with the car. I've considered evidence provided by both sides. The dealership has been clear that the first replacement of the brake discs was a gesture of goodwill, which was paid for by the manufacturer, and not the result of a manufacturer defect and that this was the still the case when Mrs C complained the brake discs were again rusty.

Mrs C said the rust meant the car was faulty and made it of unsatisfactory quality, particularly as it formed so soon again after the brake discs were replaced. I understand some element of light rust is not uncommon when brakes have been exposed to water or even humid weather conditions. It's possible the rust on the brakes of Mrs C's car is worse

than this, but very little has been provided to show this is the case. The available evidence does not suggest to me the extent of the rust meant the brakes were faulty in some way.

I don't think it would be fair to require B to allow C to reject the car as a result of her concerns with the brakes because I haven't found they were faulty and therefore did not make the car of unsatisfactory quality. I have also noted the manufacturer has paid Mrs C £1,000 as a gesture of goodwill for her experience with the car.

Mrs C later raised a complaint about a rattle from the engine and suspension of the car. I have reviewed the video provided but I cannot confirm the presence of a fault from this.

Overall, therefore, I am not persuaded there is a fault with the car

While I recognise Mrs C has made reference to other decisions the Financial Ombudsman Service has made, a crucial part of our service and the way we consider complaints is that we consider each complaint on its own merits and its own individual circumstances. So, my decision is not impacted in any way by any decision made on a different complaint, no matter how similar Mrs C feels the situation is.

I appreciate Mrs C will be disappointed by my decision, but I am not persuaded there is a fault with the car and so do not think it would be right to ask RCI to do anything further in respect of Mrs C's complaint.

### **My final decision**

For the reasons explained, I don't uphold Mrs C's complaint about RCI Financial Services Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 29 October 2024.

Jo McHenry  
**Ombudsman**