

The complaint

Miss J has complained about the quality of her car acquired through AutoMoney Limited trading as AutoMoney Motor Finance ("AutoMoney")

What happened

Miss J acquired a used car in February 2023 from AutoMoney. It was approximately five years old when she acquired it.

At some point in the first six months, she has raised issues with the stereo system not working properly with the supplying dealership. AutoMoney have said they are aware this was first raised with the dealership in February 2023. She talked to the supplying dealership about this, and there were some discussions about what was actually wrong, and whether it could be fixed through a warranty.

Eventually, in September 2023, she raised a complaint with the finance company. In answering this in their final response letter (FRL) in December 2023, AutoMoney confirmed that a diagnostic report had been produced in October 2023 by a third party at Miss J's request, which said they concurred with the dealer that the head unit was at fault. It said that this part had previously been replaced by a dealer, but didn't give an indication of when this was, and doesn't suggest it was by this dealer for Miss J.

AutoMoney went on to confirm that Miss J had been refunded for the cost of this report by the supplying dealer, and the supplying dealer had ordered the part needed to repair/replace the head unit.

In November 2023, Miss J had asked to reject the car, but the dealership hadn't agreed this, and she was told in the FRL in December 2023 that AutoMoney also didn't authorise this, as the car could be repaired, and the part was with the supplying dealership to carry out this repair.

The final point in the FRL was AutoMoney paid Miss J £200 for the distress and inconvenience caused here and the timescales involved.

Miss J wasn't happy with this outcome however and had already brought the complaint to our service in November 2023 before the FRL, once AutoMoney's 8 weeks to resolve the complaint had expired. An investigator here investigated the complaint and gave their view in March 2024 that AutoMoney were entitled to their one opportunity to repair the car, as no evidence had been supplied that they had previously tried or failed to repair it. They also recommended that Miss J be refunded 10% of her payments since the inception of the agreement, to recognise the impaired use of the vehicle she had suffered whilst the stereo system wasn't working properly.

AutoMoney broadly accepted this view, but Miss J didn't. She said she wanted to arrange where the repairs should be carried out and provided evidence from a manufacturer dealership which said it should be repaired at a manufacturer dealership to ensure it worked properly. She also wanted to raise other issues she had with the car regarding not getting a

spare key or service book, and some problems with the finish of the alloy wheels.

The investigator explained that the finance company had the choice of where repairs could be done, and Miss J couldn't dictate this. Conversations continued but no agreement was reached, so the case has been passed to me for 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 have 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.

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 what I consider was good industry practice at the time. Miss J was supplied with a car under a hire purchase agreement. This is a regulated consumer credit agreement which means we're able to look into complaints about it.

Firstly, the other issues Miss J raised about missing a service book and a spare key and concerns with the paintwork/alloys don't form part of the complaint she made to AutoMoney, so I can't consider these. If she has other concerns, she'll need to raise them with AutoMoney first.

Part of the problem here has been the lack of communication between the finance company and Miss J directly. Unfortunately, there are communications that were going on before Miss J raised the complaint with AutoMoney, but evidence of these conversations is limited. As such, I am basing my decision on what I can be certain has happened, as it wouldn't be fair to either party to rely on hearsay or third party comments.

The view provided by the investigator here is correct. I've seen no evidence that Miss J contacted the finance company about this problem with the stereo until September 2023. Once this was done, and albeit it was over eight weeks before they issued their FRL in December 2023, the response they gave was broadly fair. No evidence was provided to show any attempts by the finance company to repair the problem had been undertaken, and as such, under the Consumer Rights Act 2015 (CRA), AutoMoney as the supplier of the vehicle has one right to try to repair the problem.

AutoMoney also awarded Miss J £200 for the distress and inconvenience and mentioned the timescales taken to get to this point. I think this is fair and recognises some delays in sorting things out here.

Miss J has talked about various warranty garages saying they could or couldn't repair the issue. Unfortunately, problems with the warranty and getting something fixed by them don't form part of this complaint, which is about the quality of the car supplied to her by AutoMoney. The warranty didn't form part of the finance agreement she's signed with AutoMoney, so I can't deal with that or consider any failings with that.

The CRA says that a business is entitled to one attempt to repair the goods, after which if the quality of the car is still unsatisfactory, even if the issue is a different issue, the consumer is entitled to ask to reject the car.

AutoMoney are entitled to their one attempt to repair the car on this basis. Miss J has

concerns and has provided us with an email from a manufacturer dealership saying that they should repair the issue, as they have specialist equipment to help them do this. I empathise with Miss J here, but she doesn't have the right to dictate or decide who repairs the car. She's lost some confidence in the supplying dealership after the time it's taken to sort things. But ultimately, it is up to the supplier of the car, AutoMoney, to arrange the repairs, and Miss J can't insist they do or don't use any particular repairer.

I hope it gives her comfort that under the CRA, if the part/repair fails again, or any other issue occurs which makes the car of unsatisfactory quality, she will have the right to reject the car. This repair now will count as AutoMoney's one chance to repair the vehicle to make it of satisfactory quality, so if they fail to fix the stereo, or another fault occurs which makes the car of unsatisfactory quality, she will be able to ask to reject the car.

Alongside this, I agree that she is entitled to a partial refund of her monthly payments for the car due to the impaired use of the car and the fact she's had problems with the stereo system for most or all of the time she's had the car. I'm not minded to change the recommendation of the investigator that Miss J should be refunded 10% of the monthly payments she's made since the agreement began, until the repair is carried out. I also agree with the investigator that it's fair to include interest onto these refunds for the period in question.

I'm sorry that it's taken this long to reach this point for a combination of reasons, but I'm satisfied that AutoMoney should now repair the car and pay Miss J compensation for the fact she's had a faulty stereo since shortly after the car was supplied, which has impacted on her use of the car.

Putting things right

To put things right, I instruct AutoMoney Limited trading as AutoMoney Motor Finance to carry out the following:

- Arrange for repairs for the stereo/head unit at no cost to Miss J.
- Pay a refund of 10% of each monthly rental to Miss J, for the period since the agreement began until the repairs are carried out.
- Pay 8% simple interest on all refunded amounts above from the date of her payment to the date of settlement.

My final decision

I am upholding this complaint and instruct AutoMoney Limited trading as AutoMoney Motor Finance to carry out the above to put things right.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss J to accept or reject my decision before 20 October 2024.

Paul Cronin
Ombudsman