

The complaint

Mrs H complains about the quality of a car supplied to her by Arval UK Limited ("Arval").

What happened

Mrs H acquired a used car under a 36 month hire agreement with Arval in December 2023. Under the agreement, Mrs H paid an advance payment of £292.64. Following this, she was required to make 35 payments of £292.64. The car was delivered to Mrs H in January 2024. At the time of supply, the car was had covered around 35,000 miles.

Mrs H complained to Arval and said when the car was delivered, no handover was carried out, she didn't get a confirmation of the mileage and no paperwork was handed over or issued. She said within 48 hours of her having the car, the car was making a whistling noise. As a result of this, she said she had to wait for a breakdown company, who I'll refer to as "B". B said the noise was a wind noise and it appeared when the car was travelling at over 45mph. Mrs H said she had to take an unpaid day off work and she lost out on a workshop she had paid to attend. Following B's visit, Mrs H said she had to take the car to a manufacturer garage and she was required to take an additional day off work.

Arval apologised for the issues and offered Mrs H the option to reject the car. Mrs H declined this and said she wanted the fault repaired. She also said she was unhappy she was paying for a car she wasn't able to use. She said she had lost £700 due to being off work for two days unpaid. Two days later, the fault had been rectified by the garage refitting a mirror triangle. Shortly after this, Mrs H told Arval that the fault had returned. Arval provided Mrs H with the option to reject the car again. Mrs H took the car to a manufacturer garage who said a panel hadn't been fitted correctly. So, a further repair was carried out.

Arval offered to pay Mrs H one month's rental for the inconvenience caused. Mrs H declined this and said the car was repaired a number of times. Mrs H said she would accept two monthly payments in settlement of her complaint.

Following this, Arval issued its response to Mrs H's complaint. It agreed to pay Mrs H two monthly rentals totalling £585.28. It said it had made note of the additional mileage that had been travelled as a result of her car being tested by the manufacturer garage and other parties.

In February 2024, Mrs H said the fault had returned but it was intermittent. She said she was told the windscreen had been replaced incorrectly and so, a new replacement windscreen was required. Arval paid for this repair but Mrs H said she had suffered from loss of earnings and so, she wanted Arval to compensate her for this. Arval said it didn't compensate for loss of earnings. It recognised that Mrs H was caused some inconvenience and so, it said it would offer Mrs H £150 as a gesture of goodwill.

Unhappy with this, Mrs H referred her complaint to this service and reiterated her complaint. She said she had lost earnings totalling £1,050 and she was unable to use the car. She said she had paid a day rate of £10.42 for the car, totalling £41.68. She said the car hadn't been adequately checked and the delivery driver failed to mention the issue. She also said Arval failed to set up a Direct Debit mandate for her, which she says resulted in a missed payment.

Our investigator looked into the complaint but said he thought the offer made by Arval was fair. He said Mrs H was without the car for four days and so he would expect Arval to issue a pro-rata refund. However, Arval had already paid Mrs H two monthly payments totalling £585.28. He said this is more than he would expect. He also said Arval's offer to reimburse Mrs H £150 for the distress and inconvenience caused was fair. He said he couldn't consider a complaint about the Direct Debit issue as Mrs H hadn't yet complained to Arval about it.

Mrs H said she disagreed. She also said Arval had billed her £943.70 for the second windscreen repair. Our investigator queried this with Arval. It confirmed it had credited this amount to Mrs H's account and so, she didn't owe it anything for the second windscreen repair.

As Mrs H remains unhappy, the complaint has been passed to me to decide.

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.

I've read and considered the whole file and acknowledge that Mrs H has raised a number of different complaint points. I've concentrated 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. The rules of this service allow me to do this.

In this case, neither party appears to dispute that the car was delivered to Mrs H with a fault. So, I'm satisfied the car was of unsatisfactory quality at the time it was supplied to Mrs H.

What I need to decide in this case is whether Arval's offer to put things right is fair and reasonable in the circumstances. This offer is to refund Mrs H two months payments totalling £585.28 and pay her a further £150 for the distress and inconvenience caused. Arval also paid for all the repairs.

I've considered Mrs H's loss of use of the car. Mrs H has provided supporting information to show the car was seen by B, that it was repaired by a manufacturer garage on two occasions and that it had a windscreen repair carried out. This means Mrs H was unable to use the car for three days whilst it was being repaired and one day, whilst B inspected it at her house. So, I consider she was unable to use the car for a total of four days.

Mrs H has also mentioned the distress and inconvenience caused to her. Mrs H said she lost earnings totalling £1,050 at £350 per day, whilst waiting for repairs to be carried out and for the car to be seen by B. She also said she was unable to go to a paid workshop due to waiting for B.

I'm sorry to hear that Mrs H was unable to attend a paid for workshop due to the issue with the car. I also appreciate it was frustrating and inconvenient for her to have to take time off and arrange repairs on four different occasions. I can see that Mrs H also spent considerable time keeping in communication with Arval to resolve the complaint. So I accept that Mrs H was caused distress and inconvenience as a result of the faults with the car.

Having said this, I'm satisfied that the offer made by Arval is fair and reasonable in all the circumstances. I'll explain why.

Mrs H had use of the car for all but four days. So generally Arval would be expected to reimburse Mrs H for being without the car for these four days. Mrs H has calculated this amount to be a loss totalling £41.68, when applying the daily hire charge of £10.42.

However, Arval agreed to reimburse Mrs H the cost of two monthly payments. If we take the actual days Mrs H was without the car, using the daily hire charge, away from the £585.28 Arval actually paid her, it could be argued it overpaid Mrs H by £543.60, even though she had use of the car for a substantial amount of time during the two months. This is more than Arval is required to do in the circumstances.

Arval has also offered to pay Mrs H £150 as a gesture of goodwill for the distress and inconvenience caused. Whilst Mrs H has explained that she would like to be reimbursed for some of her loss of earnings, I've considered the overall impact that being supplied with a faulty car had on her. Having done so, I think Arval's overall offer to pay Mrs H a total of £735.28 is fair and reasonable in all the circumstances. So it follows that I'm not asking Arval to do anything further.

My final decision

Arval UK Limited has already made an offer to pay a total of £735.28 to settle the complaint and I think this offer is fair in all the circumstances.

So my decision is that Arval UK Limited should pay Mrs H £735.28, if it hasn't already done so.

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

Sonia Ahmed
Ombudsman