

## **The complaint**

Mr V complains about the quality of a car he has been financing through an agreement with Toyota Financial Services (UK) PLC, trading as Redline Finance (who I'll call TFS).

## **What happened**

Mr V took receipt of a used car in July 2023. He financed the deal through an agreement with TFS. At the point of supply the car was about two and a half years old and had already completed about 15,000 miles.

Mr V complained about the quality of the car. He said there were problems with door alignment, that plastic trims to both rear quarter panels were loose, two front shock absorbers required replacing, and that paint on the wheel arch trims was flaking.

The dealership completed some repairs, but Mr V was dissatisfied with the quality of the work. He obtained an independent inspection report and the inspector noted there had been previous paint repairs to the car that they considered to have been carried out to a poor standard.

Mr V referred his complaint to this service and our investigator said that as the business had had a chance to repair the car and that repair had failed, they should now allow Mr V to reject the vehicle and end his finance agreement.

As TFS didn't reply, the complaint has been referred to me, an ombudsman, 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.

I don't think this car has been of satisfactory quality and I think TFS should now allow Mr V to reject it and end his agreement with them. I'll explain why.

Where the information I've got is incomplete, unclear, or contradictory, as some of it is here, I have to base my decision on the balance of probabilities.

I've read and considered the whole file, but I'll concentrate my comments 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.

Mr V acquired his car under a hire purchase agreement. This is a regulated consumer credit agreement and as a result our service is able to look into complaints about it.

The Consumer Rights Act (2015) is the relevant legislation. It says that the car should have been of satisfactory quality when supplied. If it wasn't then TFS, who are also the supplier of

the car, are responsible. The relevant law also says the quality of goods is satisfactory if they meet the standard that a reasonable person would consider satisfactory taking into account any description of the goods, the price and all the other relevant circumstances.

In a case like this which involves a car the other relevant circumstances would include things like the age and mileage at the time the car was supplied to Mr V. The car here was only two and half years old and had only completed about 15,000 miles. I don't think a reasonable person would expect too much to be wrong with it.

The independent inspector has identified that there are still unsatisfactory paint repairs on the car. He has explained that there are repairs towards the nearside front and on the front bumper that are of an unsatisfactory standard. I'm persuaded by his expert evidence that that is the case.

The relevant legislation gives the business one opportunity to repair a fault present when the goods are supplied. I think TFS had that opportunity when they attempted to repair the vehicle. As that repair has been unsuccessful, they should now allow Mr V to reject the car.

### **Putting things right**

TFS should collect the car at no cost to Mr V and they should end the finance agreement.

They'll need to refund any deposit Mr V has paid and, as he's been deprived of that money, they will need to add interest to that refund.

Mr V has had to commission a report on the car's condition in order to support his claim. I think that cost has been incurred as a consequence of the car being of unsatisfactory quality. So, TFS should refund the £264 that report cost Mr V and that he has evidenced to us. They should add interest to that refund too.

Mr V has been inconvenienced by these issues. He's had to take the car back to the dealership and has had to arrange an independent inspection. He's been kept waiting for a decision and he's also had to escalate his complaint to this service when I think it could have been resolved earlier. In those circumstances TFS should pay him £150 compensation for the distress and inconvenience he's experienced.

Since our investigator issued her view Mr V has explained to this service that an airbag warning light has appeared and that the steering is making a noise. They are issues I don't think would have come to light if TFS had been more responsive. I don't think they are reason to amend the redress I'm ordering below.

### **My final decision**

For the reasons I've given above I uphold this complaint and tell Toyota Financial Services (UK) PLC to:

- Allow Mr V to reject the car and end the finance agreement.
- Collect the car at no cost to Mr V.
- Refund any deposit or part exchange contribution that has been paid and add 8% simple interest\* per year from the date of payment to the date of settlement.
- Refund the £264 Mr V paid for an independent inspection. Add 8% simple interest\* per year from the date of payment to the date of settlement.

- Pay Mr V £150 to compensate him for the distress and inconvenience he's experienced.
- Remove any adverse reports they may have made to Mr V's credit file in relation to this issue.

\*If HM Revenue & Customs requires the business to take off tax from this interest, they must give the consumer a certificate showing how much tax it's taken off if the consumer asks for one.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr V to accept or reject my decision before 6 November 2024.

Phillip McMahon  
**Ombudsman**