

The complaint

Miss A complains about the quality of a car she acquired through a hire purchase agreement with Toyota Financial Services (UK) PLC ('Toyota FS'). Miss A says that the car has had problems with the wiring and was supplied faulty to her.

What happened

Miss A's complaint is about the quality of a new car she acquired in December 2023. Miss A acquired the car using a hire purchase agreement that was started in November 2023. The vehicle had a retail price of £17,795. Miss A paid a £3,521 deposit meaning £14,274 was financed.

This agreement was to be repaid through 36 monthly instalments, the first 35 instalments were for £186.11 and then a final instalment of £9,472.50. If Miss A made the repayments in line with the credit agreement, she would need to repay a total of £19,507.35.

Miss A has complained about the quality of the car. Below is a summary of the issues complained about by Miss A and the investigation and repair work that has been carried out, alongside what has happened in respect of the complaint.

Miss A collected the car on 2 December 2023. She says that on the 4 December 2023 she was unable to drive it due to a dashboard warning light and it was returned to the dealership. The dealership determined that the wiring had become damaged, probably due it being chewed by a rodent. The car was repaired at no cost to Miss A as a gesture of goodwill and she collected it on 8 December 2023.

On the 10th of December 2023 the car again became damaged in the same way, and it was returned to the dealership and repaired on the 11 December 2023. Miss A paid for this repair as Toyota FS didn't think that it was at fault.

Unfortunately, the car was damaged in the same way on the 12 December 2023 and has been returned to the dealership. The dealership has advised Miss A to consider dealing with the rodent problem, but it says that it won't pay for any further repairs of this nature.

Miss A complained to Toyota FS saying that the car was not of good quality due to the issues she has had with it and it was not safe to drive. She said she would like to reject the car and didn't want to continue to pay for it.

Toyota FS considered this complaint, and it didn't uphold it. It outlined the problems Miss A had with the car. But it also said that it didn't think it was at fault for them as they were caused by what it said was an 'outside entity'. It didn't think the vehicle which was sold to Miss A was unsatisfactory in quality and didn't think Miss A had a right to reject the vehicle.

Miss A didn't agree with this and brought her complaint to the Financial Ombudsman Service.

Our Investigator didn't uphold Miss A's complaint. He said that he didn't think the car had a fault when it was supplied to her and so he didn't think Toyota FS had provided Miss A with a car that wasn't of satisfactory quality. The problems Ms A had with the car weren't due to a fault with it.

Miss A didn't agree with the Investigator. She said that she didn't think the damage was caused by rodents as she parked another car close to this one and the other car wasn't damaged in the same way. She said she was told it was safe to drive when it may not have been. Miss A provided some further information at this point about the car warning lights and her contact with the Toyota garage.

Our Investigator considered this information but didn't change their opinion. He still thought that the evidence provided, in particular the detailed reports, information and photographs from Toyota FS about the problem led him to think that the car was damaged by rodents. Rather than the car being of unsatisfactory quality.

Miss A collected the car from Toyota in May 2024. It hadn't been repaired at this point. Miss A says she took the car to an independent garage and it has been successfully repaired and there has been no repetition of the wire damage. She says that this garage told her that the problem likely occurred because the sensor wire was too short. She still thinks it was unlikely to be rodent damage as the car was parked in different places and the problem still occurred.

Our Investigator considered this further evidence but didn't change his opinion about the complaint. He still thought that the evidence from the first repair showed that the sensor wire had likely been damaged by rodents, given the presence of what look to be teeth marks and that it was 'cut' through rather than stretched.

Our Investigator also thought that if the wire had been replaced with a one that was too short, Miss A should raise this with the dealership. But this didn't affect his opinion that the car was supplied in a satisfactory state.

Because Miss A 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.

In considering what is fair and reasonable, I need to have regard to the relevant law and regulations, regulators' rules, guidance and standards, codes of practice and (where appropriate) what I consider was good industry practice at the relevant time.

The agreement in this case is a regulated hire purchase agreement – so we can consider a complaint relating to it. Toyota FS as the supplier of the goods under this type of agreement is responsible for a complaint about their quality.

The Consumer Rights Act 2015 ('CRA') is relevant to this complaint. It says that under a contract to supply goods, there is an implied term that 'the quality of the goods is satisfactory'.

To be considered 'satisfactory', the goods would need to 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. So, it seems likely that in a case

involving a car, the other relevant circumstances a court would consider might include things like the age and mileage at the time of sale and the car's history.

The CRA quality standard includes their general state and condition and other things like their fitness for purpose, appearance and finish, freedom from minor defects, safety, and durability. These are all aspects of the quality of goods.

The problems Miss A has had with the car revolve around a sensor wire that has broken several times. But to say that the car is of unsatisfactory quality I need to be able to say that this problem was due to a manufacturing defect or similar, rather than something that happened after the point of sale that wasn't related to the manufacture or quality of the car.

It's established that Miss A collected the car on 2 December 2023, and she was able to drive it home from the dealership without issue. At this point there is no evidence of any problems with the car, the problems didn't happen until a few days later.

So, as a starting point, I think it's reasonable to say that it's very likely that the car was of satisfactory quality when it was supplied to Miss A. The problems that she experienced later were unlikely to have been present when she collected the car or she would have noticed them, as she did a few days later.

The car developed a problem with a sensor wire after it had been supplied to Miss A and there are differing accounts about how this damage came about.

The Toyota dealership where Miss A acquired the car from has said that it thinks the damage to the sensor wire was caused by an animal, such as a rodent, chewing through the wire. It has provided images that show this damage in some detail. And these images do seem to show what looks like a cut wire that has bite marks along parts of it. I think these photographs show damage that is consistent with rodent damage to the wires.

Miss A doesn't think this is likely to be the case. And she has had the car looked at by a garage in May 2024 that she says has resolved the problem. And she has had no problems with the car since then. She says this garage told her that the sensor wire was too short, and it may have snapped at some point. But she hasn't provided any further information than this.

But I've already said that the information Toyota has supplied from near the point of sale doesn't support this. And the independent garage hasn't commented on this information (as far as I can see it's not been asked to). And this garage didn't look at the car when the original problem occurred. It looked at it after it had been repaired and a long time after the point of supply. So, I don't think this has much bearing on how the car was supplied to Miss A.

Overall, I think it's more likely, on the balance of probabilities, that the damage to the wires came about due to animal damage. And this means that I think the car was supplied to Miss A in a satisfactory state.

Miss A has said that Toyota's customer service could have been better, and she has objected to paying for the car when she couldn't use it. She has also said that the mobile phone application, that can provide some information about the car, showed that it may have been repaired when this was not the case, and she was told she could drive it when a warning light was intermittent. It may have been left unlocked whilst in the Toyota garage.

I have read all of Miss A's comments about this, but I won't look at each one in detail. I don't think Toyota's customer service has been such that I should award compensation. As a

starting point it did repair the car as a goodwill gesture despite the fault not being caused by it.

And I can't see that it gave Miss A any incorrect information or didn't help her in the way that it should have. And Miss A may have driven the car with a warning light showing and it may have been left unlocked at times. But even if all of this could be fully demonstrated to have happened (and I don't think it has been), there has been no damage to the car or other adverse consequences to Miss A because of this.

And I appreciate that Miss A didn't think she should have to pay for the car while she couldn't drive it. But as I don't think the car problems were due to the actions or inactions of Toyota FS it wouldn't be right to say that she shouldn't have to make the payments due under the hire purchase agreement.

Overall, I'm not upholding Miss A's complaint.

My final decision

For the reasons set out above, I don't uphold Miss A's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss A to accept or reject my decision before 7 February 2025.

Andy Burlinson
Ombudsman