

The complaint

Mr C complains about the quality of a car that was supplied through a conditional sale agreement with Stellantis Financial Services UK Limited trading as Vauxhall Finance (Vauxhall).

What happened

The circumstances surrounding this complaint and my initial findings were set out in my provisional decision which said:

In February 2022, Mr C acquired a used car through a conditional sale agreement with Vauxhall. The car was around one year and five months old and was advertised with a mileage of 10,747. The cash price of the car was £20,015. A deposit of £5,756.52 was made which included a dealer contribution. So, the total amount financed on the agreement was £14,258.48.

Mr C was due to make 47 monthly repayments of £188.81 with a final repayment of £8,450.

In February 2024 Mr C complained that his car was experiencing issues with the ABS wiring loom. Mr C said the car was in a Vauxhall dealership for around three months for repair where he also had delays with obtaining a courtesy vehicle which was more expensive to run; and despite the issue being repaired it resurfaced around 11 months later.

Mr C said he brought the car to a local garage when the issue resurfaced because he wanted to keep the costs of repair down. Mr C believes the issue was an inherent fault in the design of the car meaning it wasn't fit for purpose.

Mr C says he's also experienced other issues with the air conditioning and the fan system. He said he doesn't feel safe in the car but needs it for his family. Mr C wants to return the car and for the agreement to be cancelled. He would also like his deposit returned to him, costs incurred reimbursed, a formal apology and a recall to be issued on all models affected by the same issue.

In March 2024 Vauxhall issued their final response. In summary they didn't uphold the complaint. It said Mr C couldn't reject the car as he didn't inform the dealership of the issues with the ABS. Vauxhall said Mr C would have to prove the issues were present or developing at the point of sale. Vauxhall added that any repairs would be Mr C's responsibility to undertake with a dealership and in line with any warranty he may have in place.

Unhappy with their decision, Mr C brought his complaint to our service where it was passed to an investigator to look into.

In May 2024 Mr C told us that the issue was fixed and appeared to be resolved, however, as he didn't think the car was fit for purpose, he'd decided to voluntarily terminate the agreement. Mr C said he had to pay a shortfall, as he hadn't yet repaid 50% of it. Mr C said he would expect to receive the repayment shortfall back in addition to what he already asked for.

Despite the investigator's request, Vauxhall didn't provide any information relating to the case. However, having reviewed the information provided by Mr C, the investigator recommended that the complaint should be upheld.

The investigator concluded that the component wasn't suitably durable and so Mr C should be refunded his repayments for loss of use, to be reimbursed for the cost of repairs and be paid £50 for any distress and inconvenience caused.

Mr C accepted the investigator's assessment, however as Vauxhall didn't respond, it's taken as they didn't accept the recommendations made and so the case has been referred to me to provide a final decision.

I sent both parties my provisional decision on 14 April 2025. I explained why I thought the complaint should be upheld. The key parts of my provisional findings are copied below:

In considering what is fair and reasonable, I've thought about all the evidence and information provided afresh and the relevant law and regulations, regulators' rules, guidance and standards, codes of practice and (where appropriate) what I consider to have been good industry practice at the relevant time.

Mr C complains about a conditional sale agreement. Entering into consumer credit contracts like this is a regulated activity, so I'm satisfied we can consider Mr C's complaint about Vauxhall. Vauxhall is also the supplier of the goods under this agreement, and is responsible for a complaint about their quality.

The Consumer Rights Act 2015 (CRA) is relevant in this case. It says that under a contract to supply goods, there is an implied term that "the quality of the goods is satisfactory, fit for purpose and as described". To be considered as satisfactory, the CRA says the goods need to meet the standard that a reasonable person would consider satisfactory, considering any description of the goods, the price and all the other relevant circumstances. The CRA also explains the durability of goods is part of satisfactory quality.

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 vehicle's history.

My starting point is that Vauxhall supplied Mr C with a used car that had travelled 10,747 miles. With this in mind, I think it's fair to say that a reasonable person would expect the level of quality to be less than that of a brand-new car with lower mileage; and that there may be signs of wear and tear due to its usage.

Having said that, the car was priced at £20,015 which isn't insignificant. It also wasn't a particularly old vehicle. So, I think it is fair to say that a reasonable person would expect it could be used free from any major issues for a reasonable period of time.

From the information provided I'm satisfied there was a fault with the car. This is apparent from Mr C's description of events, the invoice dated 7 February 2024, from the third-party garage confirming the speed sensor and wiring loom were replaced, are also consistent with

what Mr C has told us. In a phone conversation between the manufacturer dealership and the investigator, it was confirmed the car was in for repairs in February 2023. The supplying dealership also confirmed to Vauxhall that the issue reported was known to Vauxhall and would have been covered under the warranty.

Having concluded the ABS wiring loom was faulty, it seems to me there are two key issues for me to consider in relation to this complaint:

- 1. Was the car of satisfactory quality when it was supplied to Mr C?*
- 2. If so, what should Vauxhall do to put things right?*

Satisfactory quality

In his complaint form, Mr C said the ABS wiring loom presented an issue in February 2023. In a telephone conversation with the investigator, the manufacturer dealership which Mr C said had repaired the car first time around, confirmed the car was in for repairs and that the mileage at the time was 18,942. Considering Mr C acquired the car with 10,747 miles, I don't think it's reasonable to expect the car would fail after 8,000 miles of usage. Considering I've seen no evidence that Mr C caused the issue, for example through driving style. The car didn't have particularly high mileage, or above average use. So, I'm persuaded the component was inherently faulty.

The issue recurred again a year later in February 2024; this is confirmed through an invoice from a third-party garage which repaired it. The mileage recorded on that invoice was 25,996, which was 7,054 more than when it had failed first time round. I don't think the mileage travelled up to that point by Mr C was excessive or unusually high.

In their final response Vauxhall provided a statement from the selling dealership which said 'This is a fault that is known to Vauxhall and would have been covered under the warranty', I think this statement is important because it confirms the fault was known to Vauxhall which further suggests it was a fault that was inherent.

I acknowledge what Vauxhall has said about not accepting a third-party diagnosis of the issues. I recognise Vauxhall may not have initially inspected the vehicle, however the third-party garage is a professional vehicle repairer so I've no reason to doubt their ability to effectively inspect and diagnose the issue with Mr C's car. In addition, it was a manufacturer dealership which confirmed the car was in for repairs, first time around in February 2023. So, all things considered, I'm satisfied from the evidence provided that the car wasn't of satisfactory quality when it was supplied to Mr C as the component is likely to be inherently faulty.

Putting things right

As I've found the car wasn't of satisfactory quality when it was supplied to Mr C, I think it's fair that Vauxhall should put things right.

In May 2024, Mr C confirmed the car was fixed and appeared to have no issues, but as he'd lost faith in it, he advised that he'd terminated the agreement voluntarily. I've not seen any evidence of this, but I'm persuaded by what Mr C has said and I've not seen any evidence to the contrary. Having said that, I'm satisfied the decision to terminate the agreement was Mr C's, and that was after he'd confirmed the car had been repaired and as working fine. So, I don't think it'd be fair to instruct Vauxhall to retrospectively reject the car nor will I be instructing Vauxhall to reimburse any termination fees as I'm persuaded the car wasn't faulty at that point and this wasn't the only option open to Mr C.

When the car was in for repairs in February 2023 Mr C said he was kept mobile with a courtesy car, so I won't be instructing Vauxhall to refund any monthly repayments during this time, however Mr C paid for the repairs second time around. The invoice confirms £252.47 was paid, so I'll be instructing Vauxhall to reimburse this amount to Mr C.

The investigator mentioned impaired usage, but I've not seen any evidence that Mr C's driving experience was negatively affected prior to the issue arising in February 2023 or prior to January 2024 when the issue recurred. So, I won't be asking Vauxhall to reimburse any percentage of the monthly repayments made.

Having said that, Mr C said the cost of the courtesy car was significantly more than his electric car. He said he paid £300 in fuel as opposed to £60 electric costs. I've seen no evidence of this so I don't think it'd be fair to instruct Vauxhall to reimburse the costs Mr C has described, however I do think it's reasonable that a petrol car would have likely been more expensive to run over the three months in comparison. So, I think Mr C should be compensated to some degree for this.

In addition, I'm persuaded there would have been some considerable inconvenience to Mr C throughout this entire situation, for example with arranging and collecting a courtesy vehicle. So, I'll be instructing Vauxhall to pay Mr C some compensation to recognise this.

Mr C said the car was in the garage for about seven days during the second repair, and I've seen no evidence that he was supplied with a courtesy vehicle. In the round I'm satisfied that £350 in compensation fairly recognises any loss of use during this time, any additional fuel costs incurred from the use of a petrol courtesy vehicle in addition to the distress and inconvenience caused as a result of the entire issue.

I invited both parties to make any further comments.

Mr C responded to say he was happy to proceed with my provisional decision. Vauxhall, however, didn't respond to my provisional decision.

Now both sides have had an opportunity to comment, I can go ahead with my 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.

As neither party has provided any further evidence or arguments for me to consider in relation to my provisional decision, I see no reason to depart from it.

I still consider my provisional decision to be fair and reasonable in the circumstances. Neither party has added anything which gives me cause to change these. Therefore, for the reasons as set out above and in my provisional decision, I'm satisfied that the car was not of satisfactory quality when it was supplied to Mr C. So, my final decision is the same.

My final decision

Having thought about everything above along with what is fair and reasonable in the circumstances I uphold this complaint and instruct Stellantis Financial Services UK Limited trading as Vauxhall Finance to:

- Reimburse to Mr C the cost of the repairs invoice for £252.47

- Pay 8% simple yearly interest on all refunded amounts from the date of payment until the date of settlement;
- Pay Mr C £350 in compensation for the distress and inconvenience caused as a result of the car not being of satisfactory quality when it was supplied

If Stellantis Financial Services UK Limited trading as Vauxhall Finance considers that it's required by HM Revenue & Customs to withhold income tax from the interest part of my award, it should tell Mr C how much it's taken off. It should also give Mr C a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 4 June 2025.

Benjamin John
Ombudsman