

The complaint

Mr M complains about the quality of a used car he acquired through a hire purchase agreement (HPA) financed by Volkswagen Financial Services (UK) Limited (VWFS).

What happened

In October 2023, Mr M acquired a used car through a HPA, financed by VWFS. The car was around four years and eight months old at the point of supply, the cash price was around £20,000 and it had 42,226 miles on the odometer.

Shortly after acquiring the car, Mr M raised concerns about issues with the wheel alignment and the rear window demister. Responding to Mr M's complaint in February 2024, VWFS didn't uphold his complaint, however as a gesture of goodwill they offered Mr M £200 in resolution of his concerns, which he accepted.

In May 2024, Mr M complained to VWFS again expressing further concerns about the quality of the car.

After taking the car to a dealership for an MOT earlier that same month, Mr M was unhappy the service indicator hadn't been reset when the car's last major service was completed in September 2023, prior to his ownership. He was also unhappy the MOT found the '*Coil Springs / Side Carriers*' were cracked and needed replacing.

VWFS issued their final response in June 2024 addressing the two issues and offered Mr M a further gesture of goodwill, but as previously, they didn't uphold his complaint.

VWFS said the service indicator had been reset when the car was seen in May 2024 and it would be reset again when the next service was carried out, bringing it back into sync. VWFS acknowledged the frustration for Mr M having to manually keep note of when the next major service was due might cause, but said the error had not caused detriment to the car or the car's future resale value as its service history had been recorded correctly.

Regarding the '*Coil Springs / Side Carriers*', VWFS said they needed replacing due to wear and tear, which is to be expected may be required sooner when purchasing a used car as opposed to one that was brand new. But as a gesture of goodwill to cover the cost of the repair, VWFS paid Mr M £360.

Mr M disagreed with VWFS's response, so he asked the Financial Ombudsman Service to investigate his complaint.

One of our Investigators looked into things, but he too was of the opinion the service indicator issue would have no detriment towards the value of the car and that the issue would be rectified when the next annual service was due.

Regarding the '*Coil Springs / Side Carriers*', our Investigator said he wouldn't have expected them to have failed so soon after Mr M had acquired the car but because VWFS had offered an amount to cover the cost of repair, and Mr M hadn't accepted it, he didn't think he

would've accepted it if VWFS had offered to complete the repair directly either.

Mr M responded to say he had accepted VWFS's offer regarding the '*Coil Springs / Side Carriers*' and the repair had been completed. Mr M clarified, as this issue had been sorted, it was just the service indicator issue that remained outstanding.

Mr M said our Investigator's opinion the indicator would be reset when the next annual service was completed was incorrect, as a major service is only requested every two years and it was this indicator which was affected. He explained the next major service was due in October 2025, but because the indicator hadn't been reset when it should have been, it showed as not being due until May 2026. Mr M remained unhappy it was fair for him to pay full price for the car when this feature wasn't working properly and that if he chose to change his car early, the value would be affected. Finally, Mr M said rejecting the car was only a last resort, rather it was monetary compensation he was seeking.

Our Investigator said as the '*Coil Springs / Side Carriers*' issue had been resolved he wouldn't comment on it further. But he said the service indicator issue could be reset when the next major service was carried out however he remained of the opinion the car's value wouldn't be impacted in the meantime.

Because Mr M remained unhappy, his complaint has come 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.

Having done so, while I know this will come as a disappointment to Mr M, I'm not upholding his complaint. I'll explain why.

First, my decision here will look at Mr M's concerns up to the point at which VWFS issued their final decision in June 2024. I'm aware he's since experienced further issues but as these happened later, VWFS have addressed these under a separate complaint. Our service will do the same.

Mr M has explained the only issue outstanding prior to June 2024 is the service indicator not reading as it should, so it's this I'll mainly focus on here. But I'm also aware Mr M is unhappy with the overall quality of the car supplied, so I've also given this thought when reaching my decision.

To start, as this complaint concerns the quality of goods, in this case a car, supplied through a HPA Mr M entered into, I'm satisfied this is a complaint we can consider.

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 other relevant factors such as the age and mileage of the car at the time it was supplied.

As I previously explained, Mr M acquired a used car that was around four years and eight months old and had travelled 42,226 miles. The cash price of the car was around £20,000.

I'm satisfied a reasonable person would have the expectation that the quality of Mr M's used car would be less than that of a new car. I say this because a new car would cost considerably more, and all parts and mechanics would be new at the point of supply.

I need to consider if Mr M's car was of satisfactory quality or not. To do so, I must decide if the issues with the car Mr M now faces were inherent or developing at the point of supply, or if instead they are as a result of wear and tear. I'll address the issues below.

Previous issues

The concerns initially raised by Mr M, the issues with the wheel alignment and the rear window demister, were addressed under a separate complaint to the one I'm looking at here and Mr M accepted a gesture of goodwill of £200 in resolution to this complaint. I won't be commenting on these issues further here.

Coil Springs / Side Carriers

Mr M has told our service he considers the issue with the '*Coil Springs / Side Carriers*' to have been sorted. But I think it's important to say I don't think a reasonable person would have expected parts such as this to have failed so soon after the car was supplied.

After 30 days, prior to rejection, if goods, in this case the car, are deemed not to have been of satisfactory quality when supplied, the Consumer Rights Act 2015 (CRA) says businesses have one chance to repair or replace the goods.

And in any case here, Mr M told our service he didn't seek to return the car in the first instance, rather that would be his last resort, and he would like for all the problems to be rectified.

In summary, I'm satisfied while VWFS didn't accept liability for the '*Coil Springs / Side Carriers*' issue, they paid Mr M an amount equivalent to the cost of the repair. Mr M has confirmed he accepted their offer, and the repair has since been completed so I don't think VWFS need to do anything more here.

Service indicator

I understand Mr M feels strongly about taking receipt of a car which in his opinion all its features aren't working as they should due to the service indicator not having been reset when it should have been.

Clearly there was an error made here prior to Mr M being supplied the car. The service indicator wasn't reset when a major service was carried out in September 2023. Instead, it was reset in May 2024, meaning the display shows the next major service being due in May 2026 - rather than when it's actually due in September 2025.

But regardless of the display being incorrect, which I acknowledge must cause Mr M some frustration, he is aware of when the next major service is due - at which point it will be reset and will mean the indicator will be back in sync and showing the correct due date again.

The next major service is due next month, and I've not seen any evidence to show me Mr M tried to sell or change his car. That said, I've thought carefully about Mr M's concerns about the car's value having been impacted by the reset error if he was to have changed it, but I don't agree this would be the case. Mr M has said his preferred outcome is to seek monetary compensation – not to reject the car.

I'm persuaded to place more importance on the car's service history here, which had been completed in full as scheduled and recorded as such. Whilst the display shows incorrectly until the next major service is completed, I'm not satisfied this would detrimentally impact the car's value. I won't be asking VWFS to do anything here.

In summary, I'm satisfied the issue regarding the '*Coil Springs / Side Carriers*' shouldn't have occurred as soon as it did but that, by accepting a gesture of goodwill equal to the amount of the required repair and then went on to complete the repair, Mr M accepted VWFS's resolution. Repair is a remedy under the CRA, so I don't think VWFS don't need to take any further action here.

Regarding the service indication, while it's clear an error occurred here, Mr M has said his preferred outcome is to seek monetary compensation due to the car's value being impacted negatively – not to reject the car. And for the reasons I've explained, I'm not persuaded the car's value would be detrimentally impacted, so I won't be asking VWFS to do anything to put things right.

My final decision

For the reasons I've given, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 10 September 2025.

Sean Pyke-Milne
Ombudsman