

## **The complaint**

Mr Q complains that Toyota Financial Services (UK) Plc ("TFS") supplied him with a faulty car. Mr Q says as TFS hasn't been able to repair the car, he wants to reject it.

## **What happened**

Mr Q entered into a hire purchase agreement with TFS for the supply of a car in May 2023, the cash price of the car was £16,995, Mr Q part exchanged his old car and the total amount repayable on the agreement was £22,360.35. The repayment amount was due to be repaid over 48 months with 47 monthly instalments of £224.89 and one final payment of £8,235 if Mr Q wished to keep the car.

Mr Q acquired a used car which was originally registered in March 2019. When Mr Q acquired the car, it was around four years old with a mileage of 37,844.

In July 2023, the car's warning light came on and Mr Q took it to the dealer for diagnostics and repair. The dealer's job sheet shows it diagnosed a problem with the AdBlue injector which it repaired at the time. The car had the problem reoccur multiple times after this and it was taken to the dealer for diagnostics and repair multiple times for the same problem.

During the visit to the dealer in October 2023, Mr Q was advised to take longer journeys with the car and it was suggested that his driving style of short journeys wasn't suitable to the car. In November 2023, the job sheet for another visit for the repair, in addition to identifying issues with the AdBlue injector, suspected diesel particle filter (DPF) regeneration wasn't taking place.

As the issues with the car was ongoing, Mr Q raised a complaint with TFS. But it didn't uphold his complaint. TFS argued that the fault was due to Mr Q's usage for the car. It says the car isn't suitable for short journeys and so Mr Q's driving style was the cause of the faults.

Mr Q didn't agree with TFS' finding, he said he'd stopped using the car for short trips like school runs and shopping since he'd been advised about this and uses the car for longer trips that involve motorway driving but the issue persists.

Mr Q referred his complaint to the Financial Ombudsman Service where it was looked at by one of our investigators. Our investigator thought TFS had supplied Mr Q with a faulty car and as it has had multiple opportunities to repair the car, Mr Q was within his right to reject the car. The investigator recommended that the agreement be terminated, and Mr Q return the car.

Mr Q accepted the investigator's findings, but TFS didn't. It said the fault with the car was caused by Mr Q's unsuitable use of the car and not because the car was of unsatisfactory quality at the time.

As the complaint wasn't resolved, it has been passed to me an ombudsman for a 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 this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and (if appropriate) what I consider was good industry practice at the time. Mr Q was supplied with a car under a regulated consumer credit agreement which means we're able to look into complaints about it.

Both parties have provided a good deal of information, I want to assure the parties, if I don't mention every single point that's been raised, it's not because I haven't thought about it. I have considered everything that's been said and sent to us. However, I'm going to concentrate here on what I consider is key to reaching a fair and reasonable outcome overall.

Mr Q says the car was faulty from the start and this gives him the right to reject the car, particularly as TFS has had multiple opportunities to resolve the fault but hasn't done so. I need to decide whether the car was of satisfactory quality when it was supplied to Mr Q and if I don't think it was, what is fair, if anything, to put things right in the circumstances. The Consumer Rights Act 2015 ("CRA") covers the agreement in this case and under this agreement, there are implied conditions that the goods supplied will be of satisfactory quality.

### *Was there a fault with the car?*

There are job sheets from multiple visits to the dealer where the fault on the car was identified. Each job sheet shows a recurring problem with the AdBlue injector and the emission light. There's also a diagnostic report from July 2023 which states there was a mechanical malfunction, and that the NOX catalyst efficiency was below the threshold. Mr Q has sent screenshots to show the emissions fault light on the car is still coming on and has said he hasn't been able to drive the car.

Based on the above, I'm satisfied there is a fault with the car.

### *Do the faults make the car of unsatisfactory quality?*

I now need to consider whether the faults make the car of unsatisfactory quality. Mr Q acquired a car that was used – so there would be different expectations compared to a new car. In these circumstances, the car may need maintenance and repair sooner than a newer car. Having said that, the car's condition at the point of supply, should have met the standard a reasonable person would consider satisfactory, taking into account its age, mileage and price. The CRA says the aspects of the quality of the goods includes their general state and condition alongside other things such as their fitness for purpose, appearance and finish, freedom from minor defects, safety, and durability.

I can see that a number of different actions were taken, and the dealer suggested Mr Q's short drives were the cause of the repeated problems. Mr Q has stated that he has since changed the use of the car to longer high-speed journeys, but the issue has persisted. I can see from the job sheets in October and November 2023 that Mr Q mileage on the car increased by around 1,000 miles following the advice to use it for longer journeys. As this was more miles than he had done between July and September 2023, it seems likely that Mr Q changed his use of the car following the advice. However, that didn't resolve the problem and job sheets have been provided to show the faults continued in 2024.

I'm also mindful that no independent report has been obtained about the cause of faults in this case although the dealer advised Mr Q to obtain an independent report. TFS has said a separate garage found the same fault code as the dealer did and Mr Q has provided the job sheets from the other garage which has found similar faults to TFS' garage but hasn't concluded on what the cause of the fault was. In the absence of a report about the cause of the fault from this garage, TFS maintains the fault is because of Mr Q's driving style and the fact Mr Q has taken the car to the garage on multiple occasions with the same fault.

While it isn't clear what the exact cause of the fault is, the public MOT record from 2022 has an advisory about the AdBlue light coming on and so on balance and based on the information available, I think on balance the AdBlue fault was likely developing at the point the car was supplied to Mr Q.

Overall, I'm not persuaded that the fault is due to Mr Q's driving style, particularly as the fault first occurred within seven weeks of the car being supplied and despite several attempts at repair, the fault has persisted. It follows that I don't think the car was of satisfactory quality. Mr Q could reasonably have expected to be supplied with a car that is durable and fits with the description of what is satisfactory under the CRA, but this hasn't happened.

#### How should TFS put things right?

Under the CRA TFS had one opportunity to repair the car but it has now had multiple attempts at repair all of which haven't resolved the problem. I think given the fault and the inability to repair the car, Mr Q is within his right to reject the car and end the agreement.

Mr Q has said he can't use the car due to the anxiety and stress caused by the regular fault warning on the car but has continued to make monthly repayments on it. Mr Q has also recently confirmed the fault continues to persist and has been unable to start the car. I don't think it is fair Mr Q continues paying for a car is unable to use. It's unclear when Mr Q stopped using the car. We've been provided with a screenshot to show that the mileage of the car in February 2025 was 45,426 miles. This means Mr Q has been able to drive the car for around 7,500 miles since it was supplied to him in May 2023. Mr Q's agreement states he can use the car for around 6,000 miles each year on a pro-rata basis. Considering the mileage Mr Q has travelled in the car, I think it would be fair for TFS to charge Mr Q for his use until August 2024. This means any monthly payments made from September 2024 onwards should be refunded to Mr Q, with applicable interest.

Mr Q has also had numerous visits to the dealer and periods where he hasn't had use of the car due to the length of time it was with the dealer, he has said there were periods when he wasn't provided with a courtesy car and so was left without a car. For the periods Mr Q wasn't provided with a courtesy car, I don't think it is fair he pays for those periods. Mr Q hasn't said what length of time he wasn't provided a courtesy car. TFS should liaise with the supplying dealer to obtain this information and provide Mr Q with a pro-rata refund for each week he wasn't provided with a courtesy car.

Mr Q has also explained that the situation has caused him stress and anxiety. I can understand how that would be the case driving a car he knows can develop a fault at any time and despite several trips to the repair shop has remained faulty. So, I think £400 of trouble and upset payment is fair.

TFS needs to put things right for Mr Q.

## **Putting things right**

- End the agreement with nothing further for Mr Q to pay.
- Collect the car without further costs to Mr Q.
- Refund Mr Q's part exchange value of £3,555.52 that was put towards the car. \*
- Pay a pro-rata refund for any periods of time Mr Q was without a courtesy car whilst the car was being repaired.
- Refund any payments Mr Q has made towards the agreement since September 2024.
- Add 8% simple annual interest to the amounts above, from the date of payment to the date of settlement†.
- Pay Mr Q £400 for the trouble and upset caused.
- Remove any adverse information from Mr Q's credit file.

† HM Revenue & Customs requires TFS to take off tax from this interest. TFS must give Mr Q a certificate showing how much tax it has taken off if he asks for one.

\* If any of this deposit or part-exchange value includes a contribution from the dealership, manufacturer or TFS, this amount can be deducted from the amount refunded to Mr Q.

## **My final decision**

For the reasons given above, I uphold Mr Q's complaint and direct Toyota Financial Services (UK) Plc to put things right as set out above.

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

Oyetola Oduola  
**Ombudsman**