

The complaint

Mr G is unhappy with a car that was supplied to him under a hire purchase agreement with Toyota Financial Services (UK) PLC, trading as Redline Finance.

What happened

On 23 September 2022 Mr G took out a hire purchase agreement with Redline for a car, which was just under four and a half years old and had covered around 20,000 miles. The cash price was £22,499. Mr G agreed to a part-exchange allowance of £1,731.40 for his old car, followed by 60 monthly payments of £435.93.

Mr G has shown us the photo he'd seen in the dealer's advert. He said that was how the car looked when he test-drove it, but when he went to collect it had a different registration number, the window trims were black instead of shiny chrome, and the ignition was operated with a key instead of having a push-button stop/start.

Mr G said he wasn't given a satisfactory explanation for these changes, but he was excited about getting the car - which looked really nice. He said the dealer promised they'd book it in to fit a push-button ignition, which was laying on the console.

Mr G said after two weeks he started having problems with the engine management light (EML) coming on and the on-board computer saying the car was going into limp mode. He said the dealer tried various things to fix it, leaving him without a car to use in the meantime.

In November 2022 Mr G contacted Redline about these problems, which the dealer still hadn't been able to fix. He said he was worried about paying for a car that was potentially going to be off the road for months - and it was affecting his health.

Redline issued their final response on 23 March 2023. They said they hadn't upheld Mr G's complaint because the car had been repaired and returned to him before Christmas 2022. But they acknowledged Mr G's ongoing inconvenience whilst he awaited their response - and that he hadn't been kept mobile whilst repairs were carried out. They offered to pay him the equivalent of two monthly instalments as a goodwill gesture.

Mr G rejected Redline's offer and referred his complaint to our service. He said the dealer had delivered the car back to him, but they wouldn't say what had been wrong or what they'd done to repair it. Shortly after he'd referred his complaint to us, Mr G told us the car had broken down again.

Our investigator said he didn't think he could say the car wasn't of satisfactory quality when it was supplied to Mr G without seeing evidence explaining what the fault was. So he didn't think it would be fair to ask Redline to do anything more to put things right.

Mr G disagreed. He stressed that, despite his repeated requests, he hadn't been able to get any information about the fault. He said not knowing what had been done to the car had left him feeling unsure of whether it was safe to drive. He said Redline should be able to provide all the evidence we'd need to see.

As Mr G didn't agree with our investigator's view, the case has come to me for a final decision.

My provisional decision

After reviewing all the available evidence and arguments, I issued a provisional decision saying:

The agreement between Redline and Mr G was for hire purchase, so I can consider a complaint about it. Under this type of agreement Redline is the supplier of the car, so they're responsible for a complaint about its quality or the way it was described.

Was the car as described?

The Consumer Rights Act 2015 is relevant to this complaint. It says if goods are to be supplied by description, the agreement is treated as if it includes a term saying the goods will match that description.

Mr G told us the car he saw in the dealer's advert and test-drive didn't look the same as the car that was handed over to him after he'd signed the agreement. I've given careful thought to whether I think the differences he's told us about meant the car was misdescribed to him.

i. Vehicle registration number

Mr G said the finance agreement showed the registration number that was on the car when he first saw it, but it had a different number plate when he went to collect it. He said when he queried this, the dealer told him the one they'd put on was the car's original registration.

Although I can understand Mr G's concern about this, I don't consider the change of registration number to mean the car was misdescribed. I haven't seen anything to suggest the car he got wasn't the same car he'd previously seen. I think it's most likely that it still had a previous keeper's cherished plate on when Mr G first saw it.

I'm aware that some registration numbers are more desirable than others – that's why some people have "cherished" plates. I don't think the previous registration number made the car more desirable to Mr G, because he's told us he put his own cherished plate on the car.

I've seen evidence confirming Redline updated their records after Mr G told them about this issue. For the reasons I've explained, I don't think they needed to do anything more.

ii. Colour of the trims

The advert Mr G provided includes a photo of the car, which shows the window trims had a chrome finish. I think it was reasonable for Mr G to expect this photo to show what the car would look like.

Mr G showed us another photo, in which I can see part of a car with black window trims. Although I don't think this photo confirms whether the window trims were changed before Mr G got the car, I see no reason why I shouldn't believe what he's told us about this.

Mr G told us he noticed the trims were a different colour and asked the dealer why

they'd done it. He said he agreed the black trims looked really good on the car. Based on what he's told us I don't think this change had an adverse impact on Mr G – I think he was pleased with it. For that reason, I won't be asking Redline to do anything different.

iii. Push-button start/stop

Mr G told us the car was supplied to him with a key-operated ignition instead of the push-button start/stop he was expecting. I haven't seen any supporting evidence about this, so I've been unable to consider it any further.

Was the car of satisfactory quality?

The Consumer Rights Act 2015 says this type of agreement to supply goods is to be treated as if it includes a term saying the quality of the goods will be satisfactory. The standard that's applied is whether a reasonable person would consider the quality of the goods to be satisfactory, taking into account the way they were described, the price and all the other relevant circumstances.

In this case, I bear in mind this is considered to be a premium brand of car, and Mr G paid £22,499. That's significantly less than the car would've cost when it was new, because it was just under four and a half years old and had covered around 20,000 miles.

I don't think a buyer would expect a car of this age and mileage to be in perfect condition. But I do think they'd expect it to be free from anything other than minor faults when it was supplied - and to be able to drive it for a reasonable amount of time without major problems.

It isn't disputed that there was a fault with the car. I'm disappointed to note that despite our requests, Redline haven't supplied any information confirming what the fault was, what was done to fix it, or how long the dealer had the car whilst the necessary diagnostic and repair work was carried out.

In the absence of further information about this, I think it's reasonable for me to make my decision based mainly on information from Mr G. Redline have provided a copy of their case notes, which record what Mr G told them each time he rang in to chase progress. Having reviewed those notes, I'm satisfied the information Mr G has given us is broadly consistent with the information Redline recorded at the time.

1. First fault – October 2022

Mr G told us he started having problems with warnings coming on and the car going into limp mode after two weeks. Given the price he'd paid for this car, I think he was entitled to expect at least a few months' use of the car without major issues of that kind. So, I'm satisfied that I've got enough information to conclude the car wasn't of satisfactory quality when it was supplied.

I'm pleased to hear the dealer eventually fixed this problem.

2. Second fault – September 2023

Mr G said he had to pay for a sensor to be replaced because the car had broken down again.

Online MOT records show the car had covered 25,149 miles when it was tested in August 2023. So, I think Mr G would've had at least 5,000 miles' use of the car by the

time the sensor failed. If the sensor problem was linked to the repair in December 2022, I think Mr G would've noticed there was something wrong much sooner.

With any used car, parts are likely to need to be replaced from time to time due to normal wear and tear. I've seen nothing to suggest the sensor problem was already present or developing when the car was supplied to Mr G. So, I don't consider Redline to be liable for the cost of replacing it.

Putting things right

As I've said, I've seen no information from Redline confirming when the dealer had the car back for diagnostic and repair work. Based on the information I've seen, I think it's most likely that Mr G had little or no use of the car from the second week of October 2022 until a few days before Christmas that year. I calculate that to be approximately 10 weeks. Mr G said he wasn't provided with a courtesy car to use in the meantime. So I think Redline should refund the payments he made for the car during that period, with interest.

Mr G said the problems with this car caused him a great deal of stress and upset. He said he and his partner relied on the car because one of their elderly parents was in poor health and needed to be taken to frequent hospital appointments. He said he felt it was very important to have a car, because he couldn't be sure how long they might have to wait for an ambulance in an emergency. Mr G said his relationship deteriorated due to squabbles over the situation with the car. He said he couldn't sleep because he was worrying about how he was going to sort it out.

The case notes I've seen show Mr G made Redline aware in November 2022 that the problems with the car were affecting his health. He told us that when the dealer delivered the car back to his driveway, they wouldn't tell him what had been wrong with it - or what they'd done to fix it. Redline's contact notes confirm that, over the next few months, he repeatedly expressed concerns about whether it was safe for him to drive it.

Based on the evidence I've seen, Redline didn't answer Mr G's questions about this until March 2023, when they issued their final response letter saying all repairs had been completed, the car was in good working order, and they saw no reason why it shouldn't be driven.

So, I think being supplied with a car that wasn't of satisfactory quality caused Mr G a significant amount of worry and inconvenience, which went on for several months. I think Redline should pay him £350 compensation for that.

Mr G told us he'd intended to keep the car for a lot longer, but he just wanted to get rid of it after all the problems it had caused. He's provided a copy of the sales invoice showing he traded it in for less than he'd paid for it.

I'm sorry to hear about that. But I've seen no evidence to suggest there was anything wrong with the car after the dealer repaired it in December 2022. So I don't consider Redline to be liable for any loss Mr G incurred by deciding to trade it in for another vehicle.

I said I intended to uphold this complaint and direct Redline to:

- Refund the payments Mr G made for the 10 weeks he didn't have use of the car between October and December 2022.
- Add interest to each of the refunded payments, calculated from the date of payment until the date of settlement at 8% simple per year.
- Pay Mr G £350 compensation for the distress and inconvenience he's been caused.

I invited both parties to send me any further information or comments they'd like me to consider.

Responses to my provisional decision

Redline accepted my proposal for how they should resolve things. But Mr G didn't think it would adequately compensate him for what he'd been through.

Mr G said he'd had to buy another car because he hadn't been given a courtesy car to use whilst the dealer carried out the repairs. He said he hadn't been able to find that receipt, and he'd also lost a receipt for the most recent repair.

Mr G said he'd lost thousands of pounds by selling this car, but he hadn't been happy to keep it without knowing what had been done to it. He felt he deserved more than £350 compensation because he'd been sold a modified car - and Redline should've done more to help him get the problems resolved.

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'm grateful to both parties for taking the time to respond to my provisional decision. Although I appreciate Mr G feels Redline should do more to put things right, I've seen no new information that persuades me I should change my mind.

I think it's fair to say Mr G's biggest loss was due to selling the car earlier than he'd planned. I can understand why he might not feel the same way about the car, after having problems so early on. But as I've explained, I've seen nothing to suggest there was anything wrong with it after the dealer repaired it in December 2022. So, it wouldn't be fair for me to direct Redline to cover the loss Mr G incurred by deciding to trade it in.

I appreciate Mr G hasn't been able to get any information about the initial fault with the car – or what was done to fix it. And I realise it's become increasingly difficult for him to provide further evidence due to the length of time this matter has been going on. I can understand how frustrating that must've been for him.

Our service isn't here to punish businesses for making mistakes – that's not part of our role. I've given careful thought to the distress and inconvenience Mr G was caused due to the car not being of satisfactory quality when it was supplied to him. And I think £350 compensation is fair and reasonable.

My final decision

I uphold this complaint and direct Toyota Financial Services (UK) PLC, trading as Redline Finance, to:

- Refund the payments Mr G made for the 10 weeks he didn't have use of the car between October and December 2022.
- Add interest to each of the refunded payments, calculated from the date of payment until the date of settlement at 8% simple per year.
- Pay Mr G £350 compensation for the distress and inconvenience he's been caused.

If Redline consider tax should be deducted from the interest element of the award, they should tell Mr G how much they've taken off. They should also give him a tax deduction certificate if he asks for one.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 22 October 2024.

Corinne Brown
Ombudsman