

The complaint

Mr N complains that a car that was supplied to him under a hire purchase agreement with Volkswagen Financial Services (UK) Limited wasn't of satisfactory quality and was mis-sold to him.

What happened

A used car was supplied to Mr N under a hire purchase agreement with Volkswagen Financial Services that he signed in March 2022. The price of the car was £27,000 (to which other charges of £504 were added) and he made an advance payment of £4,007.65 so the amount of credit provided to him was £23,496.35. Mr N agreed to make 38 monthly payments of £432.69 and a final payment of £13,323.75 to Volkswagen Financial Services.

Mr N took the car to the dealer in December 2022 and he complained to the dealer in April 2023 about the inspection and repair of the car, the warranty coverage and its treatment of him. There was a lengthy dispute with the dealer and Mr N complained to Volkswagen Financial Services in January 2024. It said in the final response letter that it sent to him in March 2024 that he was disappointed with the quality of the car as he'd experienced ongoing issues with the bumper being subject to a poor quality repair prior to the car being supplied to him, the parking sensors not working and the paintwork not being as expected. It said that the car was four years and nine months old when it was supplied to Mr N, the manufacturer's warranty expired in June 2020 and there were no concerns related to the sensors prior to April 2023, so it was unable to support his complaint.

Mr N wasn't satisfied with its response so complained to this service. His complaint was looked at by one of this service's investigators who, having considered everything, didn't think that it should be upheld. He wasn't of the view that Volkswagen Financial Services had failed in its obligation to provide Mr N with a car that was of satisfactory quality at the point of sale so he wouldn't support a rejection of the car. He didn't think that the dealer made any false statements of fact that induced Mr N to enter into the agreement and he said that Mr N's complaint was made about Volkswagen Financial Services and it isn't liable for the dealer's conduct.

Mr N didn't agree with the investigator's recommendation and asked for his complaint to be considered by an ombudsman. He has responded to the investigator's recommendation in detail and says, in summary and amongst other things, that:

- the reversing sensors have been unreliable since he acquired the car, posing significant safety concerns, so he's had to install a rear-view camera at his own expense, but the problem remains unaddressed and the persistent fault justifies rejection of the car;
- the dealer failed to provide written diagnostic reports and Volkswagen Financial Services should be held accountable for its deficiencies in service;
- he's discovered that the car was purchased at auction, a fact that was never disclosed to him, even upon direct inquiry, and had he known that, he wouldn't have proceeded with the purchase;

- the mis-matched paint and ill-fitted bumper are indicators of previous repairs that weren't disclosed to him; and
- he was misled by the dealer into believing that any significant repairs would have been disclosed and he's been unable to access the car's full service history.

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.

Volkswagen Financial Services, as the supplier of the car, was responsible for ensuring that it was of satisfactory quality when it was supplied to Mr N. Whether or not it was of satisfactory quality at that time will depend on a number of factors, including the age and mileage of the car and the price that was paid for it. The car that was supplied to Mr N was about four years and nine months old, had a mileage of 34,661 and had a price of £27,000. Satisfactory quality also covers durability which means that the components within the car must be durable and last a reasonable amount of time – but exactly how long that time is will depend on a number of factors.

The car was supplied to Mr N in March 2022 and his issues with the dealer seem to have started in January 2023 when he collected the car from the dealer after some work had been performed on it. I've seen no evidence to show that Mr N had complained to the dealer about any issues with the car's sensors or bumper before then. If the sensors weren't working or there was mis-matched paint and an ill-fitted bumper when the car was supplied to him, I consider that it would be reasonable to expect him to have complained about those issues sooner than he did.

I'm not persuaded that there's enough evidence to show that the car wasn't of satisfactory quality when it was supplied to Mr N. Mr N says that the car was purchased at auction and that was never disclosed to him. There was no requirement for Volkswagen Financial Services to tell Mr N that the car had been bought at auction and I've seen no evidence to support Mr N's claim that the dealer told him that the car hadn't been bought at auction or that it would have known that it had been repaired. Nor am I persuaded that there's enough evidence to show that the hire purchase agreement was mis-sold to Mr N by Volkswagen Financial Services or that it would be liable for the issues that Mr N has had with accessing the car's service history. I'm not persuaded that there's enough evidence to show that Volkswagen Financial Services has acted incorrectly in connection with the car that was supplied to Mr N and I consider that its response to his complaint was fair and reasonable in the circumstances.

It's clear that Mr N wants to reject the car. He's referred to decisions issued by this service which he says support his complaint, but this service considers each complaint on its individual merits. In the circumstances of Mr N's complaint, I'm not persuaded that it would be fair or reasonable for me to require Volkswagen Financial Services to allow Mr N to reject the car or to take any other action in response to his complaint.

My final decision

My decision is that I don't uphold Mr N's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 9 December 2024.

Jarrold Hastings

Ombudsman