

The complaint

Mr M complains that Volkswagen Financial Services (UK) Limited trading as Audi Financial Services (“VWFS”) delivered a car to him that wasn’t as described.

What happened

Mr M entered into a hire purchase agreement with VWFS for a used car in November 2023. The agreement was for 36 months, and Mr M was required to pay an initial deposit of around £7,350, followed by 36 monthly payments of £400. Mr M had the option to pay a further £10 with the final payment to keep the car.

Mr M bought the car from a distance, through a dealer and didn’t see the car physically until it was delivered. Mr M says he took delivery of the car while at work. I can see there were email exchanges between Mr M and the dealer from early December 2023. In the email exchanges Mr M raised issues with the car, he raised an issue with the windscreen, the bumper, chips on the car and a scuffed door handle.

Mr M said these issues were on the car when it was delivered but the dealer said that wasn’t the case but offered to pay the excess to repair the windscreen, the stone and chip repair and a touch up pen for the scuffs. Mr M said he felt he shouldn’t have taken delivery of the car when he saw the scuffed door handle as he wasn’t expecting these many imperfections with the car.

Mr M contacted VWFS to reject the car but it said as he didn’t request to reject the car within the first 30 days, it wouldn’t accept rejection of the car.

Unhappy with VWFS’ response, Mr M referred the complaint to the Financial Ombudsman Service where it was looked at by one of our investigators. Our investigator didn’t think the car was unsatisfactory and so he didn’t uphold any part of Mr M’s complaint.

VWFS accepted the investigator’s findings, but Mr M didn’t. He said he contacted VWFS about the issues with the car within a few days of taking delivery.

Since the complaint was referred to our service, Mr M has said a door on the car had been poorly repaired following damage and has presented an opinion from a body works shop about the cost of repairing it. As I can’t see this particular point was previously raised with VWFS to consider as part of the complaint, Mr M would need to raise it with VWFS first, and I won’t be considering this issue in this 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.

Mr M complains about a hire purchase agreement. So, our service is able to consider complaints relating to it. VWFS is the supplier of the car under this type of agreement and so is responsible for dealing with a complaint about its quality.

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 M was supplied with a car under a hire purchase agreement. This is a regulated consumer credit agreement which means the Financial Ombudsman Service is able to look into complaints about it.

Both parties have provided a lot of information, so I've had to summarise things in this decision. The rules of our service allow me to do this, but 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.

What I need to decide in this case is whether the car supplied to Mr M was of satisfactory quality. If I don't think it was, I'll need to think what's fair, if anything, to put things right. The Consumer Rights Act 2015 ("CRA") covers hire purchase agreements. Under a hire purchase agreement, there are implied conditions that the goods supplied will be of satisfactory quality.

Mr M acquired a car that was used – so there would be different expectations compared to a new car. Having said that, the car's condition at the point of supply, should have met the standard a reasonable person would consider satisfactory, considering 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.

Mr M entered into the agreement in November 2023, at the point the car was supplied to him, the car was around two years old with a mileage of around 13,400.

Mr M contacted the dealer where he purchased the car within a few days and raised issues about a crack in the windscreen, issues with the bumper and chips on the paintwork. In the email exchange the dealer said its driver who delivered the car confirmed that there wasn't a crack on the windscreen when it was supplied but offered to cover the insurance excess to repair the windscreen, the chips and a touch up pen for the scuffs. The dealer said due to the car being a used car, there will be some imperfections expected.

Mr M says he didn't expect that level of imperfection with a car bought from the dealer in the circumstances and asked for repairs to be carried out. I can't see that there were any offers made by the dealer to inspect the car or take it in for any repairs.

In March 2024, Mr M contacted VWFS saying he wanted to reject the car and raised a complaint.

I haven't seen any evidence of mechanical faults with the car, but Mr M has provided pictures which he says show cosmetic faults with the car.

While Mr M has said the windscreen was cracked upon delivery, I haven't seen any supporting evidence of this. The public MOT records show the car passed MOT a month before Mr M received the car and after the car had done a further 10,000 miles in Mr M's possession. The most recent MOT record, which was completed after Mr M came into possession of the car, lists a crack in the windscreen as an advisory. This leads me to

conclude on balance, the crack in the windscreen likely occurred while the car was in Mr M's possession.

In relation to the cosmetic faults, Mr M paid around £33,000 for this car and had he purchased a similar car in a brand-new condition, it would have cost around £53,000. Had it been a brand-new car, I think it would have been reasonable for Mr M not to expect any cosmetic issues with the car but given the car was two years old and had done around 13,400 at the time Mr M bought it, I don't think it's unreasonable for there to be some cosmetic imperfections with the car. I've seen pictures of the car and I don't think the damage Mr M has highlighted is significant. I'm satisfied a reasonable person would expect some level of wear and tear to the bodywork of the car given its age and mileage. As a gesture of goodwill, the dealer has offered remedies for these cosmetic issues. I think that is reasonable in the circumstances.

Taking all the issues into account here, I think the car was of satisfactory quality when it was delivered to Mr M and I think the dealer has been reasonable by making a goodwill gesture to cover the repairs.

I appreciate my findings will likely disappoint Mr M but based on all the information I've seen, I won't be asking VWFS to accept the rejection of the car. If Mr M wishes to accept the dealer's offer to repair the car, he'll need to contact it directly to arrange this.

My final decision

For the reasons given above, I do not uphold this complaint or make any awards against Volkswagen Financial Services (UK) Limited trading as Audi Financial Services.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 5 December 2024.

Oyetola Oduola
Ombudsman