

The complaint

Mr S complains that RCI Financial Services Limited ('RCI'), trading as Nissan Finance, weren't reasonable when responding to his concerns that a car he is financing through an agreement with them had been damaged when being transported for a repair they'd authorised.

What happened

Mr S took receipt of a new car in July 2022. He financed the deal through a hire purchase agreement with RCI.

The car stopped working in late 2023 and inspection confirmed there was a problem with the battery. RCI arranged to have the car repaired by a company I'll call 'R', but while the car was being transported the top deck of the transporter collapsed and caused damage to the car.

R's insurer arranged repairs to the bodywork and thereafter the battery repairs were completed. When Mr S collected the car, he complained to RCI that it was unclean. RCI paid him £50 so that he could arrange to have the car valeted. They noted that the repairer had identified some pre-existing damage that they had repaired and that they had also repaired the damage caused during transportation.

Mr S referred his complaint to this service. Our investigator understood that the manufacturer had offered to refund six monthly finance instalments in respect of the distress and inconvenience Mr S had experienced. He noted that Mr S hadn't been able to use the car between 27 September 2023 and the end of February 2024 and he thought the refund of six monthly instalments was fair recompense. He thought Mr S had also been inconvenienced by the problems with the battery and he suggested that RCI should facilitate acceptance of the six monthly finance instalment refund with the manufacturer and should pay him £150 in compensation to resolve matters.

RCI agreed to that redress, and they also explained that they believed R's insurers had kept Mr S mobile while the car was being repaired. Mr S, however, didn't agree with the investigator's opinion. He explained that the car wasn't returned to him in a good condition. He provided photographs of scratches and other imperfections. While he was prepared to accept the investigator's proposal, he wasn't prepared to accept it in resolution of his complaint about damage to the car; he'd only accept it in respect of the poor customer experience he'd received.

The complaint has, therefore, been referred to me, an ombudsman, for a final 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.

I know it will disappoint Mr S, but I'm not upholding this complaint. I'll explain why.

Where the information I've got is incomplete, unclear, or contradictory, as some of it is here, I have to base my decision on the balance of probabilities.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point, it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

Mr S acquired his car under a regulated consumer credit agreement and as a result our service is able to look into complaints about it.

The Consumer Rights Act (2015) is the relevant legislation. It says that the car should have been of satisfactory quality when supplied. If it wasn't then RCI, who are also the supplier of the car, are responsible. The relevant law also says the quality of goods is satisfactory if they meet the standard that a reasonable person would consider satisfactory taking into account any description of the goods, the price and all the other relevant circumstances. The relevant legislation also explains that when we think about whether goods are supplied in a satisfactory condition, we should consider whether they have been durable.

I don't think the battery on this car was durable as I think a reasonable person would expect it not to fail after only about 12,600 miles. I think RCI were right to accept responsibility for the repair as the relevant legislation allows them one opportunity to repair a fault present when the car is supplied.

I don't, however, think it would be fair to hold them responsible for the damage incurred while the car was being transported. While it may be argued that the car was being repaired by their appointed agents, I think the liability lies with R. I can see that R agreed and that their insurers repaired the car for Mr S, so I don't think he's been disadvantaged by RCI's lack of engagement with those repairs.

The repairer has explained that the car has been returned to Mr S in a "*pristine condition*" and that some preexisting damage has been repaired by them. If that's not the case Mr S may have an action, in court, against R or he may be able to complain to R's insurers. But that's not something I think it would be fair to hold RCI accountable for.

The terms of Mr S's agreement with RCI ask him to return the car in a good condition so he will need to iron out any problems with the bodywork before the car is returned if he wishes to avoid any damage charges.

I think RCI have been fair to accept the investigator's proposal, that they facilitate the refund of six monthly instalments that was offered by the manufacturer. They've not sought to dispute whether they can facilitate that payment, and, on balance, I think that, and a payment of £150 in respect of the distress and inconvenience caused when the battery failed is fair compensation here. Mr S has, after all, had to call out breakdown services, and has been without the car he financed, for some time. I note that there is a suggestion he had been kept mobile by the insurer and I think that supports my suggestion that RCI's agreement to the investigator's opinion is a reasonable one.

I'm therefore asking RCI to take that action, but I'm not asking them to do any more.

My final decision

For the reasons I've given above, I uphold this complaint in part and tell RCI Financial Services Limited to:

- Facilitate the refund of six rentals that has been offered, and that I've referred to above.
- Pay 8% simple yearly interest on all refunded amounts from the date of payment until the date of settlement.
- Pay a further amount of £150 for any distress or inconvenience that's been caused due to the car not being of satisfactory quality when it was supplied.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 20 December 2024.

Phillip McMahon
Ombudsman