

The complaint

Miss M complains that a car supplied to her under a contract hire agreement with Ald Automotive Limited (ALD) is of unsatisfactory quality.

What happened

Miss M has been represented during the complaints process, I'll refer to any information supplied by or any conversations regarding Miss M or her representative as being supplied by Miss M.

In June 2021 Miss M entered into a contract hire agreement with ALD to hire a brand-new car. Miss M paid £1,357.99 as an advanced payment, with the contract showing this was to be followed by 35 monthly rental payments of £226.33.

Miss M explained she has encountered a number of issues with the car, over the three-year contract term. Complaints were raised previously, and final responses were sent by ALD in 2022 and 2023. Both of these complaints were upheld, and redressed. Miss M has had cause to complain again in 2024 after experiencing further issues. Miss M explained the following issues have occurred:

- Encountered an issue with the automatic start stop function.
- Repeat issue with keys relating to batteries needing replacing.
- Dashboard warnings.
- A fault with the child lock system.
- Windscreen wiper issues.
- The heating unable to be adjusted.

Miss M also raised poor service, in particular about a call where they were made to feel they were trying to get money at the end of the contract by raising issues with the vehicle as the agreement was due to finish.

Some of these issues were raised in the complaint to ALD, and some were notified after the complaint had been made.

In its final response, ALD did not uphold the complaint. It said the car had been returned at the end of the contract, it was confirmed there were currently no issues and previous issues had been compensated for when raised as complaints.

Miss M was unhappy with this, and brought her complaint to this service, where it was passed to one of our investigators to look into. The investigator didn't uphold the complaint. She said that this service wouldn't be able to look into the complaints answered by ALD with final responses in 2022 and 2023 because they were now out of our jurisdiction. This is because this complaint had been raised more than six months since the final responses

were issued on the first two complaints. Due to the time limit rules - this meant this service would not be able to consider any of the issues relating to those complaints, and could only focus on the new issues having been complained about.

Having set that out, the investigator said there wasn't enough evidence to show there were faults with the vehicle in 2024, and that she could not conclude the car remained of unsatisfactory quality following the last complaint upheld by ALD in 2023. The investigator also explained she didn't think ALD acted unreasonably during the call Miss M complained about.

Miss M didn't agree with this outcome, so I've been asked to review the complaint to make a final decision.

As a note, I agree with the investigator's outcome in relation to the 2022 and 2023 answered complaints for the same reasons. As these have not been brought to this service within the six-month timescale allowed for complaints as set out by the final response referral rights, and rules around time-limits, I will not be considering the previous faults and complaints or make a finding on these. As such, this decision will focus on the new issues raised, not dealt with previously.

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.

Miss M hired a car under a contract hire agreement. Entering into consumer credit contracts like this is a regulated activity, so I'm satisfied we can consider Miss M's complaint about ALD. ALD is also the supplier of the goods under this type of agreement meaning they are responsible for a complaint about the supply of the car and its quality.

The Consumer Rights Act 2015 (CRA) is relevant in this case. It says that under a contract to supply goods, there is an implied term that "*the quality of the goods is satisfactory, fit for purpose and as described*". To be considered as satisfactory, the CRA says the goods need to meet the standard that a reasonable person would consider satisfactory, considering any description of the goods, the price and all the other relevant circumstances. The CRA also explains the durability of goods is part of satisfactory quality.

So, it seems likely that in a case involving a car, the other relevant circumstances a court would consider might include things like the age and mileage at the time of sale and the vehicle's history.

In this case, Miss M hired a car that was brand-new. As this was a brand-new car, it's reasonable to expect the level of quality to be higher than a used, more road-worn car. It would be reasonable to suggest Miss M would expect to be able to use this free from significant defects, for a considerable period of time.

I've reviewed the available evidence about the issues Miss M explained she experienced with the car. I'm satisfied that there were faults with the car. I say this because there are images supplied showing faults on the dashboard that needed attention, and I'm persuaded the issue with the key did need attention from the information I have. Having considered the car had faults, I've considered whether it was of satisfactory quality at the time of supply.

I can see a number of issues raised, including the key batteries needing replacements within a short space of time of each other and the cost for these, the heating not being able to be adjusted and other issues including the warnings shown on the dashboard. Having had a look at all of the information available, I have nothing to show that these were ongoing faults

making the vehicle of unsatisfactory quality or if they were maintenance related or in need of updates. As part of ALD's final response I can see it was mentioned Miss M had confirmed the vehicle currently had no issues. It appears the issues could have been intermittent, or may have appeared briefly, meaning they were difficult to pinpoint.

I do have two pictures of the dashboard showing potential issues, but I can't see a date on these and they don't show if an underlying issue present or developing at the point of sale was the cause of the potential faults and as such I can't say these were issues that ALD needed to put right in relation to the 2024 complaint.

I can see as part of the complaint, the investigator asked Miss M for evidence of faults, to which Miss M said videos and pictures could be provided and also explained she would have provided evidence if asked, but in other responses explained she was unhappy about being asked to provide some evidence.

Vehicles may well need software updates and maintenance during ownership, and for me to say there were issues that went beyond this that made the vehicle of unsatisfactory quality or caused impaired use of the vehicle, I need to be able to see evidence of this. Often in cases like this, it's helpful to rely on an inspection report from an independent expert commenting on the faults found, the likely cause of these and if these were present or developing at the point of sale. I haven't seen anything like this in this case, and there isn't a great deal of information available on the root cause of the faults Miss M explained she encountered.

The information available does not persuade me the vehicle had ongoing faults that made it of unsatisfactory quality in relation to the set-out complaints above, and for the same reasons, I don't have anything that persuades me the vehicle was not suitably durable. This is not to say that issues didn't occur at times or that Miss M wasn't frustrated with the car, but as I've explained the information does not suggest to me the car was of unsatisfactory quality.

I also considered if Miss M had reduced use of the vehicle due to these issues raised, but from the MOT information in 2024, I can see the mileage is listed at 24,456, with the mileage allowance over the three years of Miss M's agreement stating a maximum allowed of 18,000. I acknowledge what Miss M has said about extra miles being used to take the car in for maintenance issues and other events, however I'm not persuaded this shows reduced usage of the car. Miss M also explained there was a discussion around potentially extending the agreement on the vehicle. The information available persuades me that Miss M was able to use the car without suffering significantly impaired usage over time.

Having evaluated everything I have, including Miss M's testimony, I'm not persuaded that there were evidenced faults with the car that were enough to make it of unsatisfactory quality in relation to the issues raised in 2024, although I acknowledge this will be disappointing to Miss M.

I then moved on to consider the service aspect, in particular the complained about phone call between Miss M and ALD.

I acknowledge Miss M's frustration with the call. Having listened to it, I believe there are parts where the call handler could well have phrased things differently or said things that could be interpreted as being a little combative. Having said this, I believe there are also parts where the call handler is trying to understand how best they can help, to understand what has been happening with the vehicle and how Miss M wants them to proceed.

Overall I'm persuaded the call could have been handled a little bit better, but it is not at such a level that I'd recommend ALD need to pay anything for distress and inconvenience caused or to redress this in another way.

Having considered all of the available information, While I acknowledge Miss M is unhappy with the amount of issues she encountered with the car, I'm not persuaded that the car was of unsatisfactory quality.

My final decision

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 18 June 2025.

Jack Evans
Ombudsman