

## **The complaint**

Mr P complains that the car he acquired financed through a Hire Purchase Agreement with Toyota Financial Services (UK) PLC ("TFS") wasn't of satisfactory quality.

## **What happened**

Mr P acquired a used car through a hire purchase agreement he signed in August 2023 with TFS. Mr P said in February 2024 the vehicle failed to start. The car hadn't been driven for five days. He said there was a warning displaying a voltage abnormality alert, indicative of a completely drained battery. He referred the matter to the dealer.

In April 2024 the car broke down. Mr P called roadside assistance, X, who confirmed the complete depletion of the battery, necessitating an emergency charge to enable the vehicle's operation. Mr P said X had told him the rapid depletion experienced suggested a possible defect or electrical issue that warrants investigation. Mr P took the car back to the dealer who did a health check which did not raise any issues with the battery.

Mr P experienced another breakdown in June and had to call out X again. The advice given by X was to have the battery replaced immediately.

Mr P complained to TFS. TFS didn't uphold the complaint. It said the dealer found the battery went flat, so it was charged and evaluated and deemed all okay with advice to Mr P to monitor it. TFS did acknowledge the delay in responding to Mr P's complaint and offered him £50 compensation.

Mr P wasn't satisfied and brought his complaint to this service. He said when the car is not used for five or six days, the battery becomes completely flat. He said he was informed this occurs because the car continues to use voltage even when stationary. He believes however that a fully functioning battery should not drain within five or six days, and this behaviour does not comply with any standard. He said if this is normal then it represents a significant flaw in manufacturing.

Our investigator concluded that on the balance of probabilities, the car was not of satisfactory quality when it was supplied to Mr P, that it wasn't reasonably durable. He recommended TFS arrange for a repair and pay £100 in compensation.

TFS raised a question regarding whether the battery had already been replaced but otherwise agreed to the investigator's recommendations. Mr P did not. He said the complaint hadn't been adequately addressed and asked for a decision from an ombudsman.

## **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.

Having done so I agree with the conclusions reached by the investigator for the reasons outlined below.

- Mr P's agreement is a regulated consumer credit agreement, and our service can consider complaints against it.
- TFS as the supplier of the car was responsible for ensuring that it was of satisfactory quality when it was supplied to Mr P. Whether it was of satisfactory quality at that time will depend on several factors including the age and mileage of the car and the price that was paid for it;
- The car that was supplied to Mr P was just over one year old and had covered approximately 8,900 miles;
- Satisfactory quality also covers durability which means the components within the car must be durable and last a reasonable amount of time. But exactly how long that time is will also depend on several factors;
- I'm satisfied there is currently something wrong with the car. Besides Mr P's testimony that he's had issues with the battery, which I find persuasive, he has provided evidence in the form of two breakdown reports relating to a flat battery and confirmation from the dealer that the car battery was flat when Mr P took it to the garage.
- Mr P's car first displayed battery problems after he'd had it for seven months. He's had to call the recovery service twice and the dealer has also experienced the battery discharged.
- Generally batteries are considered consumable items, in that they need to be replaced from time to time because of wear and tear. Batteries are in constant use in order to power the car even when the engine is off and typically need to be replaced every three to five years. How long a battery lasts also depends on the circumstances, including how often the car is driven and how long the drives are for to be able to fully recharge. But Mr P's vehicle is fairly new, just over a year old, and when it broke down the second time it had been driven about 7,800 miles by Mr P.
- Mr P provided a report from the breakdown company, X. It's dated 17 April 2024 and the vehicle mileage is recorded as 15,034. The report says:
  - *"Started your vehicle, tested your battery, charging system and tested for electrical discharge. Battery is accepting charge, needs to be run for at least 40 minutes. Advised to take vehicle to dealer for further investigation - Your vehicle needs to be run for at least 30 minutes at regular intervals, for example once a week. If you are unable to recharge your battery, you should then consider replacing your battery with a fully recharged battery. Advise to take vehicle to dealer for further investigation."*
- The garage carried out a vehicle check dated 29 April. The only advisory noted was "Air conditioning antibacterial cleanse recommended".
- Mr P provided a second break down report dated 7 June with the mileage at 16,703. The report says:
  - *Started your vehicle, tested your battery, charging system and tested for electrical drains. Your battery was found to be unserviceable and requires replacement. Have your battery replaced immediately. If you switch it off the engine may not restart. Battery under manufacturer's warranty.*
- I think the battery has failed prematurely, and the problem was likely present at the point of sale, and it hasn't failed through normal wear and tear. So I'm persuaded it wasn't of satisfactory quality at the point of sale.
- I consider repair to be a reasonable and proportionate option.

- In its response to the investigator's view TFS said
  - *"We are in discussions to try and resolve this for Mr P, but we just want to be clear on exactly what he would like us to do. He said 'I was informed that the battery had been replaced; however, I have not received any evidence or official confirmation of this replacement. This lack of documentation leaves me uncertain about the resolution of the issue.' Based on this we would like to ask the centre for evidence of the battery replacement."*
- I've not seen any evidence the battery has been replaced. I asked Mr P to confirm this, and he hasn't responded. In the absence of this evidence I consider it reasonable for TFS to arrange for and cover the cost of repair, including replacing the battery.
- The battery replacement may be covered under warranty as the car is less than three years old. This would be provided by the manufacturer and not TFS. Because the two are separate entities, any claim under warranty would have to be processed through the manufacturer directly. But I'm satisfied the car wasn't of satisfactory quality at the point of sale and as TFS was the supplier of the car and was responsible for ensuring it was I'm satisfied it should arrange for and cover the cost of repair.
- Mr P has told us how this situation has inconvenienced him, so I think compensation of £100 in addition to the £50 already offered by TFS is fair and reasonable

Mr P has also complained about the courtesy car he used while his car was being looked at. Mr P should raise this as a new complaint so that the business has an opportunity to respond.

### **Putting things right**

To put things right Toyota Financial Services (UK) PLC must:

- Arrange for and cover the cost of repair, including replacing the battery
- Pay Mr P the £50 it offered in compensation unless it has already done so
- Pay Mr P a further £100 for distress and inconvenience that's been caused due to the faulty goods.

### **My final decision**

My final decision is I uphold this complaint and Toyota Financial Services (UK) PLC must put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 27 November 2024.

Maxine Sutton  
**Ombudsman**