

## **The complaint**

Mrs N complains about a car supplied to her using a hire purchase agreement taken out with Mercedes-Benz Financial Services UK Limited trading as Mercedes-Benz Finance ("MBFS").

## **What happened**

Mrs N acquired a brand-new car using a hire purchase agreement with MBFS. The cash price of the car recorded on the agreement was £42,599.99, the agreement was for 48 months, made up of 48 regular, monthly repayments of £520.74, followed by an optional purchase payment of £20,175, and a £10 option to purchase fee. The deposit recorded on the agreement was £4,301. The annual permitted mileage on the agreement was 6,000 miles.

Mrs N said she experienced an issue with the car's multimedia screen almost immediately after acquiring the car and contacted the supplying dealership on several occasions to get it sorted throughout January 2024. Mrs N supplied screen shots of phone calls made to the supplying dealership throughout January 2024, starting as early as 16 January 2024. Mrs N said the car was arranged to be repaired towards the end of January 2024. On the day, Mrs N said an update failed and the issue with the car appeared to be more significant than expected and required new parts.

The car was eventually repaired towards the end of April 2024 and a courtesy car was also given to Mrs N.

Mrs N said the issue with the multimedia screen had been resolved but it still had an issue with the car rolling back when it was placed in drive, which she believed was a flaw with the make and model of car.

MBFS sent Mrs N their final response in June 2024. MBFS said the only recorded entry about the issue with the car was in March 2024, where the supplying dealership inspected the car's multimedia screen as it was going blank intermittently. The supplying dealership concluded a control unit needed to be replaced after completing a software update which didn't resolve the issue. As the control unit had later been replaced and they believed the issue had been resolved, they didn't support Mrs N's request to reject the car. MBFS offered Mrs N £200 in recognition of the inconvenience she experienced.

Unhappy with MBFS's response, Mrs N referred her complaint to our service.

The investigator didn't uphold Mrs N's complaint. In summary, the investigator found that the car did have a fault, which had later been repaired. And Mrs N was kept mobile during the repairs. So, the investigator didn't think Mrs N could reject the car and thought what MBFS offered her was fair in the circumstances. The investigator also thought that there was insufficient evidence to determine whether there was a fault with the car rolling back when it was placed in drive.

Mrs N disagreed with the investigator's outcome and she believed the car could be rejected.

As Mrs N disagreed with the investigator's outcome, the complaint was passed to me to decide.

### **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'm not upholding this complaint and I'll explain why below.

I'm aware I have summarised events and comments made by both parties very briefly, in less detail than has been provided, largely in my own words. No discourtesy is intended by this. In addition, if there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is a fair outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as an alternative to the courts.

Mrs N complains about a car supplied to her under a hire purchase agreement. Entering into consumer credit contracts such as this is a regulated activity, so I'm satisfied I can consider Mrs N's complaint about MBFS.

When considering what's fair and reasonable, I take into account relevant law and regulations. The Consumer Rights Act 2015 ("CRA") is relevant to this complaint. The CRA explains under a contract to supply goods, the supplier – MBFS here – has a responsibility to make sure goods are of satisfactory quality. Satisfactory quality is what a reasonable person would expect – taking into account any relevant factors. It's important to point out in this case that the CRA specifically explains that the durability of goods can be considered part of whether they are unsatisfactory quality or not.

I would consider relevant factors here, amongst others, to include the car's age, price, mileage and description. So, it's important to note here that the car Mrs N acquired was brand-new and I think a reasonable person would expect it to be in excellent condition, with no faults or issues. And I think they would expect trouble free motoring for a significant period.

What I need to consider is whether the car was of satisfactory quality when it was supplied. And in order to do that, I first need to consider whether the car developed a fault.

#### Had the car developed a fault?

*Multimedia screen* – It isn't in dispute here that the car developed a fault. I say this because MBFS partly upheld Mrs N's complaint and said that as a software update couldn't resolve the issue Mrs N experienced, a control unit for the car needed to be replaced.

So, I'm satisfied the car had a fault with its control unit which meant the car's multimedia screen didn't operate as it should have.

*The car rolling back when placed in drive* – Mrs N says that the car rolls back when it is placed in drive, which she believes isn't normal for an automatic transmission car, like the one she has acquired. Mrs N says that despite informing the supplying dealership of the issue, they have failed to inspect the matter.

While I'm mindful of what Mrs N has said, no evidence has been supplied to show there is a fault with the car rolling back when in drive, such as a job sheet, a diagnostic report to show there is a fault, an independent inspection carried out to the car, or videos of the issue Mrs N

says she experiences. I'm also mindful of the time that has passed since this complaint was referred to our service and the opportunity for both parties during this time to make further submissions.

From the limited information that has been provided, I'm not persuaded there is a fault with the car in relation to it rolling back when placed in drive. I say this because not enough evidence has been provided to show this specific fault is present with the car.

#### Was the car of satisfactory quality at the point of supply?

Given the car was brand-new when it was supplied to Mrs N, I'm satisfied the car wasn't durable. I wouldn't expect there to be a need to repair items such as a control unit so early in the car's lifetime. And so, I'm satisfied a reasonable person would not consider it to have been of satisfactory quality when it was supplied to Mrs N.

#### Remedies under the CRA

What I now need to consider is what actions MBFS need to do to put things right for Mrs N, or if it needs to do anything further.

I think it is important to note, that for the repair that was carried out to the car for the fault described above, it was authorised by Mrs N. I say this because, on each occasion the car was inspected by the dealership, Mrs N gave the car back for it to be repaired; firstly for a software update to be performed, and then again for the control unit to be replaced.

In addition, for the fault, MBFS has confirmed the fault was repaired and Mrs N hasn't given any indication to suggest that the repairs carried out have failed in any instance.

I'm also mindful that many months has since passed, and it is likely the car has been in use and continues to be used.

Thinking about all of this and considering the fault to the car has now been repaired, I don't think it would be fair for Mrs N to now reject the car. I'm satisfied Mrs N's rights under the CRA, in broad terms, have now been met as the fault with the car has been repaired.

#### Loss of use and the inconvenience caused to Mrs N

Mrs N was offered £200 in recognition of the inconvenience she experienced. So I now need to consider whether what they offered is fair in the circumstances.

I'm mindful that a courtesy car was supplied to Mrs N during the repair, so I'm satisfied that Mrs N was kept mobile. I'm also mindful that the car Mrs N was supplied wasn't of satisfactory quality at the point of supply, and the inconvenience this would have caused.

In the circumstances, I think the offer of £200 MBFS made is fair and reasonable. So I don't think MBFS needs to do anything further. If Mrs N hasn't accepted the offer made, it is now for Mrs N to contact MBFS directly and decide whether to accept it.

#### **My final decision**

For the reasons I've explained, I don't uphold this complaint. So, I don't require Mercedes-Benz Financial Services UK Limited trading as Mercedes-Benz Finance to do anything more here.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs N to accept or

reject my decision before 22 May 2025.

Ronesh Amin  
**Ombudsman**