

The complaint

Mrs D complains that a car acquired under a conditional sale agreement with Stellantis Financial Services UK Limited trading as Vauxhall Finance ("Vauxhall Finance") wasn't of satisfactory quality when it was supplied to her.

What happened

The parties are familiar with the background of this complaint so I will only summarise what happened briefly here.

In March 2023, Mrs D entered into an agreement to acquire a used car from a dealership (B), although she wasn't supplied with the car until mid-April 2023. She paid a deposit, with the purchase balance being provided through a conditional sale agreement with Vauxhall Finance. The car was five years old and had covered approximately 85,000 miles at the point of supply. The agreement was for 60 months, and the cash price of the car was £16,899.

The supply of the car was initially delayed by B as it needed a replacement driver's seat. A day after the car had been delivered to Mrs D, she got in touch with B to confirm a warning alert had come on in the car to inform her that there was a problem with the driver's seat – it seemed the seat base wasn't secured properly. B advised Mrs D to take it to a local dealership and B would cover the cost of a repair.

The car underwent a manufacturer's health check in early June 2023, and it was noted that the wiring on the driver's seat wasn't routed correctly, and one of the bulbs for the seat hadn't been secured properly and had burnt the floor mat. The health check report said the wiring had been re-routed and the bulb replaced, and the problems had been rectified.

The car went back to a manufacturer approved dealership for an MOT in October 2023. The mileage at the time was approximately 93,300. It was noted that the driver's seat warning light was showing on the dashboard, and the driver's seat light wires weren't secured. B had agreed to pay for these repairs, but it seems they didn't respond to the request for payment and the work wasn't carried out.

In December 2023, the car broke down. Mrs D had covered just over 10,000 miles in it from supply. Mrs D was told the cylinders had failed and the car needed a new engine. A cost of just over £11,000 was provided for the repair costs.

Mrs D complained to Vauxhall Finance. She said the car hadn't been of satisfactory quality when it had been supplied to her. Ideally, she wanted to reject the car, but she did say that she was prepared to allow Vauxhall Finance an opportunity to repair it. Vauxhall Finance didn't uphold the complaint. They said the engine failure had occurred after Mrs D had had the car for nine months and had covered over 10,000 miles, so they weren't persuaded the faults had been present when the car had been supplied. They did acknowledge there had been a problem with the driver's seat, but it had been repaired.

Mrs D brought her complaint to our service. Our investigator didn't uphold it. She accepted the problem with the driver's seat made the car unsatisfactory at the point of supply, but she didn't think rejection of the car was a proportionate remedy in this case as it hadn't impacted Mrs D's use of the car. Regarding the engine failure, our investigator said that there wasn't any evidence to suggest the faults had present at the point of supply, so she didn't conclude the car could be rejected.

Mrs D didn't agree and said the problem with the driver's seat made the car unsafe, meaning it was in breach of the CRA and she should be entitled to reject it.

As Mrs D didn't agree, the complaint has been 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.

Mrs D has provided a lot of information here. I'd like to reassure her that I've read and considered everything that's been sent. Although I haven't commented on it all within this decision. I will be focussing on what I consider to be the key points of this complaint.

When considering what's fair and reasonable, I'm required to take into account: relevant law and regulations, relevant regulatory rules, guidance and standards and codes of practice.

The fact the car was supplied to Mrs D under a conditional sale agreement means that the credit provider has responsibility for things that were said or done by B prior to Mrs D's entry into the agreement.

I think it's worth starting by explaining that I'm looking at Vauxhall Finance's responsibility here as the finance provider for the car. Mrs D has voiced concerns and provided a lot of communication between her and B, and her local dealership, and has been engaged in a lot of conversation with them post-sale – but at that time B weren't acting as agents of Vauxhall Finance, and Vauxhall Finance can't be held responsible for anything B have said or done post-sale.

As the conditional sale agreement entered by Mrs D is a regulated consumer credit agreement this service is able to consider complaints relating to it. Vauxhall Finance are also the supplier of the goods under this type of agreement and are responsible for a complaint about their quality.

The Consumer Rights Act 2015 (CRA) covers agreements like the one Mrs D entered. Because Vauxhall Finance supplied the car under a conditional sale agreement, there's an implied term that it is of satisfactory quality at the point of supply. Cars are of satisfactory quality if they are of a standard that a reasonable person would find acceptable, taking into account factors such as – amongst other things – the age and mileage of the car and the price paid.

The CRA also says that the quality of goods includes their general state and condition, and other things like their fitness for purpose, appearance and finish, freedom from minor defects and safety can be aspects of the quality of the goods.

But, on the other hand, satisfactory quality also covers durability. For cars, this means the components must last a reasonable amount of time. Of course, durability will depend on various factors. In Mrs D's case, the car was used and had covered approximately 85,000 miles when she acquired it. So, I'd have different expectations of it compared to a brand-new

car. Having said that, the car's condition should have met the standard a reasonable person would consider satisfactory, given its age, mileage, and price.

Our investigator has said that she accepts the issue with the driver's seat made the car of unsatisfactory quality at the point of supply, but she didn't think the evidence suggested the faults with the engine had been present when the car had been supplied to Mrs D. She said that rejection of the car wasn't a proportionate remedy for the issue with the seat, and that a repair of the seat was the more suitable option. I agree in this case. I'll explain why.

Driver's seat

The CRA explains that where goods are found not to have conformed to the contract within the first six months, it is presumed the goods did not conform to the contract at the point of supply. Unless the supplier, Vauxhall Finance in this case, can prove otherwise.

But here, Mrs D didn't bring the issues with the driver's seat to Vauxhall Finance's attention until after six months, and after the car had broken down and it had been determined a new engine was required. Whilst I accept she brought the issues with the seat to B's attention as soon as the car was supplied, and she continued to bring it to their attention to try and get it repaired or replaced, Vauxhall Finance are the owner of the car under this type of agreement until it's been settled in full. They're responsible for a complaint about the quality of the car post-delivery. In this case, they haven't had any opportunity to intervene or try to enforce a repair of the seat until after the car had become undrivable because of the engine failure – they were unaware of any faults with the car until then. By not informing Vauxhall Finance of her concerns with the seat at the time, Mrs D has denied them the opportunity to take responsibility for it and determine the most appropriate course of action to take. I think it's likely that Vauxhall Finance would have insisted on a repair or replacement seat rather than allow the car to be rejected at that point. They're entitled to one chance to effect repair under the CRA, and repair or replacement would have been the most practical and economical solution.

When considering a remedy for a fault that was present at point of sale, I have to consider what is proportionate. I'm not persuaded that rejection of the car for the issue with the driver's seat is proportionate in this case. Mrs D had continued use of the car from delivery, covering approximately 10,000 miles in eight months, so I'm more satisfied than not that the issue with the driver's seat, whilst considered to be a safety issue, didn't make the car unsafe. I'm not persuaded that a reasonable person would have continued to use the car and covered the mileage covered in this case, if there was any concern that the car was unsafe to drive.

Ordinarily, I would direct Vauxhall Finance to arrange for repair or replacement to the driver's seat to bring the car back to conformity with the contract, as they have one chance to repair it. However, from what I've seen Vauxhall Finance terminated the agreement in August 2024 as Mrs D had stopped making her monthly payments, and they have taken back their asset. That aspect doesn't form part of this complaint, so I won't be commenting on that – but it does mean that there isn't a remedy now for this case that I can recommend.

Engine

Mrs D brought the problems with the engine to Vauxhall Finance's attention in January 2024, ten months after she'd been supplied with it. So, I need to consider if Vauxhall Finance have done what I'd expect them to have done once they were aware there were problems with the car. As this was outside of six months since Mrs D had been supplied with the car, it was for her to prove any faults had been present at the point of supply.

Mrs D arranged for an independent report to be done. This was done in October 2024 and, unfortunately, it didn't include a visual inspection of the car by the independent assessor. The report was based on Mrs D's testimony and evidence. And I'm not persuaded that the report supports Mrs D's argument that the engine failure also means the car wasn't of satisfactory quality when it was supplied to her. I say this because the report from the independent assessor confirms that it's difficult to suggest any engine problems were present at the point of supply, when he considers the mileage covered in the car since Mrs D was supplied with it ten months prior. I'm more persuaded by the independent assessor's comments here. He's a qualified motor vehicle technician. So, it follows that I can't conclude any engine problems were present when the car was acquired by Mrs D.

The car Mrs D acquired was five years old and had covered approximately 85,000 miles when it was supplied to her. It's fair to say the car was far from new. This means that the standard a reasonable person might expect from it would be lower than for a car that had covered fewer miles. Acquiring a used car carries some inherent risks, not least of which is that sooner or later items, or components of the car, will need repair or replacement.

Mrs D had the car for ten months and the car had covered approximately 95,000 miles when the engine failed. As previously stated, I'm satisfied that a reasonable person would expect to have to repair or replace some wear and tear components on a used car sooner than they would on a new one. In Mrs D's case it seems the requirement for a replacement engine came sooner than she was expecting, but I'm not persuaded that means the car was of unsatisfactory quality when it was supplied to her.

I know this decision will come as a disappointment to Mrs D, and she's explained passionately and articulately why she believes the car was unsatisfactory and why she should have been allowed to reject it once the engine had failed. But my decision is that Vauxhall Finance don't need to do anything more now in relation to the quality of the car.

My final decision

For the reasons above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs D to accept or reject my decision before 11 June 2025.

Kevin Parmenter
Ombudsman