

The complaint

Ms M complains Ald Automotive Limited trading as Ford Lease (Ald) supplied her with a vehicle (a campervan) that she believes wasn't of satisfactory quality.

What happened

The background details of this complaint are well known to both parties and have been set out clearly by the investigator so I won't repeat them again.

In November 2024, I sent my provisional thoughts to both parties outlining my intentions to uphold the complaint. I said:

"Ms M acquired a vehicle under a regulated credit agreement. Ald was the supplier of the goods under this type of agreement meaning they are responsible for a complaint about the supply and the quality of the car."

The Consumer Rights Act 2015 (CRA) is relevant to this complaint. It says that, under a contract to supply goods, there is an implied term that "the quality of the goods is satisfactory". To be considered "satisfactory", the goods would need to 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. In a case involving a car, the other relevant circumstances a court would take into account might include things like the age and mileage. The quality of goods includes other things like fitness for purpose, appearance, freedom from minor defects, safety and durability.

Ms M was supplied with a brand-new vehicle – a campervan. So I think it's fair to say that a reasonable person would expect the level of quality to be higher than a second-hand, more road-worn vehicle. And that it could be used – free from defects – for a considerable period of time.

Since the start of this agreement, Ms M has complained about a number of faults which include the following but are not an exhaustive list:

- Factory fitted option of the parking pack was missing despite being ordered*
- Accessories missing – two chairs and an umbrella*
- A rip in the mesh window cover for the roof*
- A leaking boiler causing significant damage in the habitation areas*
- Faulty fridge*
- Faulty battery*
- Faulty heater*
- Reverse camera not working*

I've seen Ald's comments that they aren't responsible for the repairs and it's down to the dealership and manufacturer to resolve. However at this point, I wish to stress as the supplier of the vehicle, Ald is responsible for the quality of the campervan.

I've already set out above the expectations of a brand new vehicle. Having done so, I don't find a reasonable person would expect to experience all these faults for a brand new campervan. After some much back and forth, Ald accepts the vehicle wasn't of satisfactory quality at supply so I don't need to comment on this any further. What is left in dispute is whether Ald has done enough to put things right. Having carefully thought about the same, I don't believe they have. I'll explain.

In instances where it has been determined a vehicle isn't of satisfactory quality and it's outside the short time right to reject (30 days), the CRA says there should be one opportunity of repair. I would expect such repairs to be carried out at no cost to the consumer and with minimal inconvenience. In this case, there have been a number of repairs carried out yet faults remain. Neither party disputes this.

Where this happens, the CRA says the consumer is entitled to exercise their final right of rejection which is what I believe should happen here.

Putting things right

I've said above the campervan wasn't of satisfactory quality at the point of supply and rejection should be allowed. However as the agreement came to an end in September 2024, I don't need to say Ald should end. If they haven't done so already, the campervan should be collected at no cost to Ms M. They should also remove any adverse information about this agreement from Ms M's credit file.

The advance payment

Ms M says she wants to be refunded the deposit. This is a hire agreement and Ms M paid an initial advance payment of £4,406. Generally speaking, I wouldn't ask a financial business to refund this in full. Instead, I would typically say a refund should be made on a pro-rata basis for the period of time they couldn't use the vehicle. Here, the agreement has run its term so I can't reasonably say this should be refunded.

Monthly payments

In instances where a consumer has had use of the vehicle in question, it's fair for them to pay to reflect that use and the relevant law allow such deductions to be made. So while I acknowledge Ms M's request to receive a full refund of all monthly payments made, I won't be asking Ald to do so. I say this based on the miles covered, so it's clear she's had use of it. However I must consider that for this type of vehicle it isn't just intended as a mode of transport but also for habitation purposes and this is reflective in the price paid for it. I'm unable to quantify what percentage of the instalments applies to each individual purpose. However I can't ignore the fact that Ms M has least used it for transportation purposes but given the extent of the faults, I can understand why she hasn't been able to benefit for the full use of the campervan. I'm very sorry to hear the vehicle didn't perform as expected and it wasn't fit for its intended purpose.

I can also see that on some occasions when the vehicle was returned to the dealership or garage for repair, a courtesy vehicle was provided however this wasn't a like for like replacement. It appears she was given a regular car, rather than a campervan.

Ms M feels strongly about what's happened and I appreciate the situation she finds herself in. Working out how to put consumers back in the position they would've been in had there not been a breach of contract isn't an exact science so I've taken a broad view in this case. Given the circumstances, I find it's fair for Ald to refund 50% of the monthly payments paid from inception to when the agreement ended to reflect the impaired use of the campervan.

Other costs

Ms M has confirmed she was refunded £300 by the broker for the parking package only being partially fitted. As this has already been refunded I don't need to consider this further.

She says she's incurred a number of other costs as result of being supplied with this faulty vehicle which she wants to be reimbursed for. They are:

- 1. £589 to replace the missing accessories (two camping chairs and an umbrella);*
- 2. Cancelled pre-paid holidays due to the faulty vehicle including a few camping trips (approximately £2,300). She said she couldn't get refunds for these trips;*
- 3. Hired a campervan at a cost of £1,469.*

Following the failed repairs and outstanding issues, in December 2022 Ald paid £4,000 to Ms M. I've taken this into consideration when thinking about the above costs and I find it sufficiently covers them (although I accept not in totality). Presumably Ms M remains in possession of the missing accessories and she can still use and benefit from them without the need for it to be returned with the vehicle at the end of the agreement. For that reason, I'm not awarding the full cost, only a proportion of it.

I'm also aware in June 2023 Ald offered to end the agreement (rejection) and pay a further £4,000 compensation as a gesture of goodwill. However Ms M declined this stating it wasn't enough to compensate her. As part of the investigator's outcome, he said this amount should be refunded by Ald. However in response, they've said as this was refused by Ms M at the time it was made, it was no longer available to her. As this was a gesture of goodwill (rather than an obligation) and Ald is no longer willing to pay it, I can't compel them to do so. Therefore I won't be saying they need to pay the further £4,000 especially in light of the fact that I'm saying 50% of the monthly payments should be refunded.

Ms M has also commented that she extended the initial 24 month hire agreement to 32 months as she hoped the repairs would fix the campervan but it failed to do so. She argues when she agreed to the extension, Ald should've applied a discount given the timeline of events. I can't say Ald is contractually or legally obliged to apply such a reduction, it's their commercial decision to make. It appears they agreed to apply the extension on similar terms as the initial agreement which is fair. Equally it was Ms M's decision to accept the terms of the extension, and she chose to do so therefore I can't say Ald did anything wrong in that regard.

Trouble and upset

Ms M has outlined the impact of this situation on her including her physical health, mental health, finances and the overall impact on her life such as the cancellation of pre-paid holidays. I'm aware she has mentioned other impact but I won't repeat them. But I do want to assure her I've carefully taken them into consideration.

Based on the timeline of events and the extent of correspondence between her, Ald and other relevant parties, it's clear this situation was causing her much distress, upset and inconvenience. Having seen Ald's correspondence and often lack thereof, I find the level of service they provided fell below what a reasonable person would expect in such circumstances. Ms M paid a significant sum of money to acquire the campervan and she was entitled to enjoy a significant period of usage of it without it being faulty. She has suffered unfair distress and inconvenience as a result of the faults. All things considered, I agree with the investigator that Ald should pay £400 compensation to Ms M for the trouble and upset caused".

Responses to the provisional decision

Ald disagreed with the outcome. In summary they said:

- If Ms M didn't believe the campervan was fit for purpose why did she extend the lease on two separate occasions, most recently it was extended until September 2025.
- A 50% refund of the monthly payments was excessive as she was still able to use it as evidenced by the mileage.
- They did all they could do to liaise with her, the supplying dealership and the manufacturer.

Ms M said:

- She decided to extend the lease for a second time during a particularly challenging time in her personal life where the use of a vehicle was very important to her, it was the most practical option without it being too disruptive at the time.
- Despite the mileage covered, the campervan has primarily been used as transport rather than its intended purpose of habitation and leisure.
- For significant periods, the campervan has been either unusable due to faults or repairs. The heater is still faulty.
- The courtesy car provided wasn't a campervan.
- This situation has caused considerable financial strain and emotional distress.
- Ald had repeatedly assured her that compensation and reimbursements would be provided but that hasn't happened, leaving her out of pocket e.g the camping chairs and umbrella.
- To date, the campervan has travelled in excess of 23,000 miles.
- The provisional decision doesn't fully reflect the extent of the financial and emotional impact, however she's willing to accept it to resolve matters.

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 thank both parties for their response which I've carefully considered. Having done so, I don't find it materially changes my outcome. I'll explain why.

While I acknowledge Ald's comments about the second extension, that doesn't negate the fact the campervan is faulty. Ms M has provided a plausible and persuasive explanation for her decision to extend the agreement a second time. In addition to what I've already said to put things right, the agreement should now end as a rejection.

As already outlined, I accept the campervan is still being used as transport based on the mileage covered but I can't ignore the fact that it's also meant to be used for habitation purposes and that's built into the overall cost. However the numerous faults primarily exist in the habitation areas meaning it's not fit for intended use or purpose. So I remain of the opinion that a 50% refund of the monthly payments paid is fair and reasonable in the circumstances.

I've carefully thought about Ms M's comments also. Having done so, I don't find I've been provided with any further information or evidence that I haven't already considered or

addressed. I still consider my provisional findings to be fair and reasonable in the circumstances.

My final decision

For the reasons set out above, I've decided to uphold Ms M's complaint.

To put things right, Ald Automotive Limited trading as Ford Lease must:

- End the agreement with nothing further for Ms M to pay;
- Collect the campervan at no cost to Ms M;
- Refund 50% of the monthly instalments paid from inception to when the agreement ends and pay 8% simple interest per annum from the date of payment to the date of settlement*;
- Remove any adverse information about this agreement from Ms M's credit file;
- Pay £400 compensation to Ms M for the trouble and upset caused.

*If Ald Automotive Limited considers tax should be deducted from the interest part of my award it should provide Ms M with a certificate showing how much it has taken off, so Ms M can reclaim that amount if she is entitled to do so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M to accept or reject my decision before 2 January 2025.

Simona Reese
Ombudsman