

## **The complaint**

Mr R complains that the car he acquired through Secure Trust Bank Plc t/a V12VF ("STB") wasn't of satisfactory quality. He wants to reject the car and cancel the credit agreement.

## **What happened**

Mr R entered into a hire purchase agreement in March 2024 to acquire a used car. The cash price of the car was £11,300, and the total repayable was £15,768.40, and was to be repaid through the credit agreement which was set up over a 60-month term with monthly payments of £262.64. At the time of acquisition, the car had already been driven more than 60,000 miles and was more than eight years old.

Mr R told us:

- He bought a hybrid car and immediately noticed that it wouldn't charge to the full range for long;
- the battery is not charging to the manufacturer's full specification, and it's not holding its charge, and it indicates this on the dashboard;
- the performance of the car means that it will cost him more than expected to run it, and this will have an impact on his financial position;
- he wants to reject the car and cancel the credit agreement because the car is not as described.

STB said it had arranged with the supplying dealership for an independent inspection to take place, and a further inspection had been undertaken when it became apparent that the third party carrying out the first inspection did not have the appropriate equipment to conduct the relevant tests on hybrid and electric batteries.

STB told this Service that a second-hand vehicle's mileage from full charge can fluctuate depending on weather, driving style and the charger itself. And it said that leaving the vehicle on charge overnight can also cause accelerated wear to the battery. STB said that a battery is a wear and tear item, and replacing a battery is common throughout the lifespan of a vehicle and is part of the routine maintenance of owning a vehicle. STB said it supplied Mr R with a vehicle that was more than three years old and had travelled 60,600 miles at the point of sale, and it thought it reasonable to conclude that parts of the car might have already suffered wear and tear.

Unhappy with STB's response, Mr R brought his complaint to this Service.

Our investigator looked at this complaint and said he didn't think a complaint about the quality of the supplied car should be upheld. He said he recognised that Mr R was unhappy with the car's performance but, based on the independent inspector's report, there was no evidence that there was actually anything wrong with the car. And he provided some information about battery lifespan and degradation, and the things that affect this.

Mr R said that an advertisement he's seen and supplied to this Service showed the performance he should be able to expect from the car and its battery. But our Investigator

highlighted that the advertisement he'd provided was *not* from the supplying dealership, so did not relate to *his* car. And the advertisement likely contained *generic information* about cars of this make and model.

In conclusion, she said that the performance issues Mr R had raised were a result of deterioration caused to the car which had occurred through normal usage over the last eight years and 65,838 miles so far.

Mr R disagrees so the complaint comes 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 agree with our investigator – and I'll explain why.

I hope that Mr R won't take it as a discourtesy that I've condensed his complaint in the way that I have. Ours is an *informal* dispute resolution service, and I've concentrated on what I consider to be the crux of this complaint. Our rules allow me to do that. Mr R should note, however, that although I may not address each individual point that he's raised, I have given careful consideration to all of his submissions before arriving at my decision.

When looking at this complaint I need to have regard to the relevant laws and regulations, but I am not bound by them when I consider what is fair and reasonable.

As the hire purchase agreement entered into by Mr R is a regulated consumer credit agreement this Service is able to consider complaints relating to it. STB is also the supplier of the goods under this type of agreement, and it is responsible for a complaint about their quality.

Under the Consumer Rights Act 2015 ("CRA") there is an implied term that when goods are supplied "the quality of the goods is satisfactory". The relevant law says that the quality of the goods is satisfactory if they meet the standard that a reasonable person would consider satisfactory taking into account any description of the goods, price and all other relevant circumstances.

The relevant law also says that the quality of the goods includes their general state and condition, and other things like their fitness for purpose, appearance and finish, freedom from minor defects, safety, and durability can be aspects of the quality of the goods. So, what I need to consider in this case is whether the car *supplied* to Mr R was of satisfactory quality or not.

The CRA also says that, where a fault is identified within the first six months, it's assumed the fault was present when the car was supplied, unless STB can show otherwise. But, if the fault is identified after the first six months, then it's for Mr R to show the fault was present when he first acquired the car. So, if I thought the car was faulty when Mr R took possession of it, and this made the car not of a satisfactory quality, it'd be fair and reasonable to ask STB to put this right.

In this particular case, two organisations were instructed to carry out an independent inspection of Mr R's car. Both are recognised and trusted experts in this arena. But it's worth noting that the second organisation was appointed because the first one did not have the correct equipment to conduct the relevant 'health' tests on hybrid/electric batteries. And the second organisation also conducted a lengthy road test, which on the basis of Mr R's

complaint was actually quite important. So although I've considered the contents of the first report, I'm placing considerably more weight on the findings contained in the second independent report. It conducted a 202-mile road test at speeds of up to 70mph.

From reading its report, it's clear that it was provided with an accurate background that clearly set out the issues.

In their report, the engineer documented the reported conditions as *"Customer has advised that vehicle is not holding charge, and they are not getting the mileage expected from hybrid mode"*. It said it had been asked to confirm whether there is *"an active fault present with the hybrid battery"* and *"if a fault is present, would it have been present at the point of sale?"*.

And the engineer reported the following:

- *"We noted throughout the road test, we were able to provide up to 16-miles of regenerated electricity back into the battery via the road test. We also noted that, throughout the road test, the vehicle operated exactly as intended with no faults found. The vehicle started each time correctly and ran with no abnormal noises, odours or smoke from the exhaust"*.
- *"When sufficient battery power was within the hybrid system, the vehicle started on the hybrid battery and operated until sufficient speed was met, whereby the petrol engine started and operated. When the speed was reduced to the correct amount, the hybrid engine would then kick in and power the vehicle"*.
- *"We carried out a diagnostic check on the vehicle, and there were no fault codes stored within any systems"*.

So, I'm persuaded that the independent engineer was unable to find any faults with the car having conducted a detailed road test.

The report concludes that *"...we were unable to locate any faults with the vehicle. The petrol engine and hybrid system were operating as intended, given the vehicle's age and mileage. It charged correctly at the station and also through regeneration" ... "We were also unable to retrieve any fault codes" ... "We have not seen any evidence of any repair attempts" ... "We have therefore concluded that we have been unable to fault the vehicle, its performance or operation"*.

So, on the basis that there are no faults present, I can't say that the car was of unsatisfactory quality when it was supplied.

The instruction of an independent inspection is what's required and expected of STB in these circumstances. And in the absence of any other persuasive evidence to the contrary, I'm not persuaded that Mr R's car was of unsatisfactory quality when supplied. So, I won't ask STB to accept rejection of the car.

I know Mr R will be disappointed with this decision, but I hope he understands why I've reached the conclusions that I have.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 7 July 2025.

Andrew Macnamara  
**Ombudsman**