

The complaint

Mr S has complained that he is unhappy with the quality of a car he acquired in October 2023, using a hire purchase agreement with Toyota Financial Services (UK) PLC (“Toyota”).

What happened

Mr S acquired a used Hyundai in October 2023 using a hire purchase agreement with Toyota. The car cost £9,071 (including the cost of a service and MOT agreement). Mr S borrowed £8,071 over 36 months, with monthly repayments of £261.89. The car was six years old, and the mileage stated on the invoice was 74,720.

Mr S took the car into the dealership for a service in April 2024. He called Toyota at the end of April to say that faults had developed. The radiator had to be replaced, but there were more problems after that. The information that Toyota sent in shows that the dealership thought the head gasket had failed. And after looking into things again, the dealership said in September 2024 that the car needed a new engine. The dealership also said that it thought Mr S had driven the car while it was overheated, which had contributed to the damage.

Mr S called Toyota several times between April and November 2024, and I can see that Toyota contacted the dealership about the problems that had arisen.

Mr S complained to Toyota about the quality of the car. He said that because he couldn’t drive the car, he’d lost his job. Toyota sent its final response letter to Mr S in August 2024. The letter said that Toyota had contacted the dealership and confirmed that repairs were needed, and that the dealership was carrying out those repairs at no cost to Mr S. Toyota also said it would pay Mr S £75 in recognition of the inconvenience caused to him. After Toyota sent this letter to Mr S, it became clear that the car needed a new engine.

Mr S was not happy with this, so he brought his complaint to this service. Our investigator looked into it, but didn’t think it should be upheld. Mr S didn’t agree and asked for it to be reviewed by 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.

I’ve decided not to uphold this complaint. I’ll explain why.

Relevant law and consumer rights

I’ve taken account of the relevant law, including the Consumer Rights Act 2015, (“CRA”). Because Toyota supplied the car under a hire purchase agreement, it’s responsible for a complaint about the quality, and there’s an implied term that the car was of satisfactory quality at the point of supply.

Vehicles are of satisfactory quality if they are of a standard that a reasonable person would expect, taking into account all of the relevant circumstances. When considering satisfactory quality here, I also need to look at whether the car is durable – that is, the components within the car must be durable and last a reasonable amount of time.

When a consumer is entitled to reject goods

There are certain times, set out in the CRA, when a consumer is entitled to reject goods, in this case the car, if they don't conform to contract – a short term right to reject within 30 days of taking delivery, or a final right to reject if a repair or replacement hasn't resulted in the car subsequently conforming – that is, it then being of satisfactory quality.

In this case, the car was six years old, with a mileage of 74,720, when it was supplied. And the price was lower than that of a new car. So it's reasonable to expect that parts of the car would have suffered wear and tear, and that a car of this age would likely need repair and maintenance sooner than a newer car.

Documents and finance agreement

Toyota has sent us its notes of its phone calls with Mr S, along with copies of the sales documents and the finance agreement. It also sent in copies of the job sheets it had had from the dealership. Mr S has given us detailed information on what happened. Mr S recently sent in more information about the coolant used in the car, and I've looked at this along with all the other information that both parties have provided.

Significant faults

It's clear that the car now has significant faults, and that the whole situation has been very difficult for Mr S. But the key issue is whether those faults were present or developing at the point of supply. Having looked carefully at all the evidence, I'm not satisfied they were.

Following on from a vehicle service in April 2024

Mr S said that the problems started after he took the car in for a service in April 2024. I don't have the mileage at the time of the service, but when the dealership looked at the car in May 2024 the mileage was 93,914. So Mr S had driven just over 19,000 miles in the seven months that he'd had the car, and he hasn't mentioned any problems arising before the service – indeed he said there was nothing wrong with the car when it went in. Mr S also said that the heating was still working at that point, which it wouldn't have been if the head gasket had failed.

Substantial mileage covered without incident

I accept that I don't have the benefit of an independent inspection report on the car. But I think it's reasonable to conclude that, if the car wasn't of satisfactory quality when it was supplied, faults of this nature would likely have become evident earlier than they did. I say this because Mr S drove over 19,000 miles – which is quite high over a period of seven months – without incident.

Wear and tear

I also think it's reasonable to expect a car of the age and mileage of Mr S's to have needed *some* repairs simply because of normal wear and tear. And wear and tear wouldn't necessarily mean the car wasn't of satisfactory quality when it was supplied.

Actions of the dealership

The information that Mr S sent in about the coolant that was supplied with the car, along with details of the repairs, suggests to me that he thinks that the dealership may have caused the faults when it serviced the car. I can't comment on that – I'm only considering what Toyota did, so I'm not looking at the actions of the dealership. And I can't hold Toyota responsible for damage caused later on by the dealership (if that's what did happen – I can't draw any conclusions about that). Toyota was responsible for the quality of the car at the point of supply.

I also don't have the power to look at a complaint against the dealership. As our investigator explained in his view, if Mr S wants to complain about the dealership's actions, he should complain to it directly and if that complaint can't be resolved, the Motor Ombudsman may be able to help.

Quality of the vehicle

Overall, I do appreciate that this has been very difficult for Mr S. But I'm not satisfied there's enough evidence to say that the car wasn't of satisfactory quality when it was supplied. Whilst there have clearly been faults with the vehicle, I don't have evidence to say that they were present or developing at the point of supply. So on that basis I can't fairly say that Toyota should do anything more, and therefore I don't uphold this complaint.

Recognition of inconvenience

Toyota offered Mr S £75 in recognition of the inconvenience caused. I think this is reasonable in that it took Toyota longer to issue its response to Mr S's complaint than it would have expected. So I can't fairly require it to pay more. I can also see that Mr S has contacted Toyota about voluntarily ending the agreement. I would expect it to take Mr S's circumstances into account when agreeing the way forward.

My final decision

For the reasons given above, I have decided not to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 19 December 2025.

Jan Ferrari
Ombudsman