

The complaint

Mr I complains about the quality of a used car that was supplied through a hire purchase agreement with Toyota Financial Services (UK) PLC trading as Lexus Financial Services (TFS).

What happened

In April 2024, Mr I acquired a used car through a hire purchase agreement with TFS. The car was about six years old and had travelled around 12,939 miles when it was supplied. The cash price of the car was £16,784. Mr I paid a deposit of £1,800, so the total amount financed on the agreement was £14,984 payable over 48 monthly repayments of £367.11.

Mr I said that within ten days of acquiring the car he experienced a number of faults which included the tyres being worn below legal limit, brake pads needing replacement, a faulty boot, and rattling from the sound system. Mr I said attempts at repairing the issues were made but they remained unfixed.

Mr I said the car has been unfit for purpose since September 2024. He said he couldn't use the car for his delivery business, which was the main reason for acquiring it, meaning his business ceased. Mr I said he's now in financial difficulties as a result.

To resolve things Mr I said he'd like a full refund of all repayments and a rejection of the car if it can't be repaired and compensation for the financial losses

In August 2024 TFS issued their final response which they upheld in part. In it, TFS concluded that an MOT and health check completed prior to supply confirmed the car was of satisfactory quality when it was supplied. They however confirmed that the local manufacturer dealership had provided a solution to some repairs that were required. TFS offered Mr I £50 as a gesture of goodwill. However, Mr I remained unhappy with their response.

In October 2024 TFS issued a further final response. However, the complaint wasn't upheld. TFS advised they had confirmation that the condition of the tyres and brake pads didn't make the car illegal, and that Mr I should contact the selling dealership to address any other issues.

Unhappy with their decision, Mr I brought his complaint to our service where it was passed to one of our investigators to look into. The investigator recommended that the complaint should not be upheld. The investigator concluded that the wipers needing replacing made the car of unsatisfactory quality but that it had been successfully resolved. The investigator didn't think there was anything else that made the car of unsatisfactory quality.

Mr I disagreed with the investigator's assessment. Mr I raised concerns with the safety of the car which he said was confirmed by the manufacturer dealership, he said there was a lack of transparency with the selling dealership, and there was a failure to investigate other mechanical issues, and he felt accepting the initial offer may have prevented him from

continuing his complaint. However, as the investigator's opinion remained unchanged, Mr I asked that his complaint be referred to an ombudsman for a final decision.

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.

In considering what is fair and reasonable, I've thought about all the evidence and information provided afresh and the relevant law and regulations, regulators' rules, guidance and standards, codes of practice and (where appropriate) what I consider to have been good industry practice at the relevant time.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

Mr I complains about a hire purchase agreement. Entering into consumer credit contracts like this is a regulated activity, so I'm satisfied we can consider Mr I's complaint about TFS. TFS is also the supplier of the goods under this agreement, and is responsible for a complaint about their quality.

The Consumer Rights Act 2015 (CRA) is relevant in this case. It says that under a contract to supply goods, there is an implied term that "*the quality of the goods is satisfactory, fit for purpose and as described*". To be considered as satisfactory, the CRA says the goods need to meet the standard that a reasonable person would consider satisfactory, considering any description of the goods, the price and all the other relevant circumstances. The CRA also explains the durability of goods is part of satisfactory quality.

So, it seems likely that in a case involving a car, the other relevant circumstances a court would consider might include things like the age and mileage at the time of sale and the vehicle's history.

Here, the car was acquired used, with a cash price of around £16,784 and with 12,939 miles. So, I think it's fair to say that a reasonable person would expect the level of quality to be less than a brand new, less road-worn car. Having said that, the cash price was £16,784 which isn't insignificant, so I think a reasonable person would expect that it could be used – free from any major defects – for a reasonable duration.

From the information provided I'm persuaded there was a fault with the car. In a video provided by the manufacturer dealership it points out that the rear wiper was split and smearing so a replacement was advised. On the health check it was recorded as an item that required immediate attention. Having considered the car had a fault, I've considered whether it was of satisfactory quality at the time of supply.

Satisfactory quality

In the vehicle health check video, which was completed a month after supply, when commenting on the tyres it was advised that there was some slight cracking, and that the tread was coming up to the halfway mark. It was recorded as an amber item which would require attention soon. Similarly, the front brakes were recorded as an amber item also.

The health check did however advise that the rear wipers were split and smearing which required immediate attention. I consider this to have made the car of unsatisfactory quality due to the impact this fault would have on the safety and driving experience. So based on this I'm satisfied the car wasn't of satisfactory quality when it was supplied to Mr I.

Having said that, under the CRA, TFS would have an opportunity to repair the vehicle, which I can see, from in an email from Mr I to the dealership that the wiper blade was received and installed, and all was okay. I've not seen any evidence that this was unsuccessful. So, I'm satisfied that the repair of this fault was successfully resolved.

However, in his complaint to TFS, Mr I raised the following issues with the car:

- Tyres worn below legal limit and crack in the tyre
- Front brake pads required replacement
- Faulty trunk cargo cover
- Rattling sound from the sound system

The vehicle health check raised concerns about the cracking of the front tyre and the brake pads, although it advised these were concerns which required attention in the near future. Mr I provided a chronology of the tyre tread depths which showed it to be below the legal limit in June 2024. However, this was after a further 3,200 miles were travelled. I'm satisfied from the vehicle health check that all tyres were within the legal limits and so it follows that I'm satisfied the car was supplied with tyres that were in a road worthy condition.

I acknowledge Mr I refers to the durability of the tyres and suggest their demise within 10,000 miles was unacceptable, however I think the main thing here is that they were supplied in a condition that was road worthy and in consideration that they were raised as a concern in May 2024, I don't think it's unreasonable that they would soon be worn to a depth that would require replacement. I think this is reasonable for wear and tear, serviceable parts of the car.

In relation to the faulty trunk cargo cover and noise from the sound system, I acknowledge Mr I has raised concerns over these, but I've not seen any evidence that a fault exists with them. For example, I've not seen any mention of it on the vehicle health check or on a diagnostic report which shows them as having a fault. In their final response, issued in October 2024, TFS appeared to acknowledge a buzzing sound from the dashboard, however they referred Mr I to the main dealership to look into this. I don't consider this to be confirmation of a fault, and I can't see that Mr I followed this up or that the dealership provided any further comments on it. So, in the circumstances I don't consider there was a fault with sound system or with the trunk.

Mr I told us about the financial difficulties this situation has left him in. I don't doubt what he has said and I'm sorry to hear about it. Although, I've not considered TFS to be at fault in this complaint, I remind them of their responsibility to treat Mr I with due care and forbearance. Mr I may also decide to seek further support or guidance with his financial situation. Further information about this can be found on our website: <https://www.financial-ombudsman.org.uk/consumers/complaints-can-help/complaints/vulnerability>

As I've concluded that the car was of satisfactory quality at the point it was supplied, I don't require TFS to take any action in respect of this complaint.

My final decision

My final decision is that I don't uphold Mr I's complaint about Toyota Financial Services (UK) PLC trading as Lexus Financial Services.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr I to accept or reject my decision before 10 July 2025.

Benjamin John
Ombudsman