

## **The complaint**

Mr M complains about the quality of a car he has been financing through an agreement with Volkswagen Financial Services (UK) Limited, trading as Skoda Financial Services ("SFS").

## **What happened**

Mr M took receipt of a used car in July 2023. He financed the deal through a hire purchase agreement with SFS. The car was three years old and had already completed about 80,000 miles.

In August 2023, a garage identified an oil leak from the gearbox. That was eventually repaired in February 2025 and at no cost to Mr M. At that time, Mr M had completed 24,000 miles in the car. Within the first six months of ownership a fuel evaporation cannister and pipe was also replaced under warranty.

In July 2024 during an MOT the gearbox oil seal was again identified as an advisory and the inspector also identified a worn shock absorber that didn't require immediate replacement.

Mr M complained to SFS and provided a quote for work required on the car. The dealership agreed to repair it at no cost to Mr M. He says they claim to have replaced the drive shaft oil seals and the clutch pack but that since the car was returned many faults persist, including:

- There's a bulge in a tyre that wasn't present when he dropped the car off for repair.
- There are noises, jerking and juddering when changing gears.
- The car is juddering when idling.
- The Electronic Power Control (EPC) light comes on intermittently.
- The brake discs require replacement.
- There's a fault with the turbo air pipe.
- The Engine Management Light (EML) comes on occasionally.
- There's a problem with the front shock absorbers.
- The vacuum/oil separator needs to be replaced.
- There's a problem with the passenger side wishbone.
- The gearbox is still leaking oil and he suspects the oil seals haven't been replaced.

Mr M now wants to reject the car. SFS have offered £750 towards the costs of any repairs and they've also offered to pay for an independent inspection of the car to identify any faults they may be responsible for. Our investigator thought SFS's offer was fair, but Mr M disagreed and he has asked for a final decision 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 know it will disappoint Mr M, but I'm not upholding this complaint. I'll explain why.

Where the information I've got is incomplete, unclear, or contradictory, as some of it is here, I have to base my decision on the balance of probabilities.

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 M acquired his car under a hire purchase agreement. This is a regulated consumer credit agreement and as a result our service is able to look into complaints about it.

The Consumer Rights Act (2015) is the relevant legislation. It says that the car should have been of satisfactory quality when supplied. If it wasn't then SFS, who are also the supplier of the car, are responsible. The relevant law also says the quality of goods is satisfactory if they 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. When we think about whether a car has been of satisfactory quality the relevant legislation also says we should consider whether it has been durable.

In a case like this the other relevant circumstances would include things like the age and mileage at the time the car was supplied to Mr M. The car here was about three years old and had already covered a little over 80,000 miles.

An old car with a high mileage will not be expected to be as good as a newer car with a low mileage, but it should still be fit for use on the road, in a condition that reflects its age and price.

### **Faults present or developing when the car was supplied**

The relevant legislation explains that if the fault occurs within the first six months we are to assume it was present at the point of supply, when SFS were responsible for the car's quality, unless they can demonstrate otherwise. The gearbox seal leaks were identified within that timeframe and while they are wear and tear items that may be expected on a car of this age and mileage, I can see that SFS did pay for their repair albeit not until Mr M advised them of the issue, more than a year after he had taken receipt of the car, and after he'd driven it a considerable distance. I think that was fair. I can see that the repairing dealership has confirmed the seals were replaced and as Mr M hasn't been prepared to allow SFS to commission an independent inspection I don't have sufficient information to dispute that. The evaporation cannister was also replaced at no cost to Mr M and that seems fair in the circumstances.

### **Faults not present or developing when the car was supplied**

I think the other faults that have been reported appear to have developed since the car was supplied to Mr M and after he'd been in receipt of it for over six months. In those circumstances I think the onus is on Mr M to demonstrate the issues were present or developing when he took receipt of the car and would, therefore, be SFS's responsibility. I don't think he's done that, and I note that he hasn't been prepared to accept SFS's offer to commission an independent inspection to consider those issues. I think it's likely that the other faults I've listed in the background to this complaint are related to wear and tear and could, therefore be expected on a car of this age and mileage. Mr M has been able to complete a significant mileage in the car and I think if those issues were present when he took receipt of it, they would have presented themselves much earlier.

### **Failed repairs**

While Mr M says some repairs have failed, I've seen no further evidence of that and he's not been prepared to allow an independent inspection of the vehicle. In those circumstances, I don't think it would be fair to suggest there is sufficient evidence repairs have failed.

### **Distress and inconvenience**

The oil seal problem persisted for some time and will have been a concern for Mr M as he's a taxi driver who relies on the car to make a living. But he didn't report the fault to SFS until he'd been in possession of the car for about a year, and I can see they responded to his concerns within about six weeks and didn't keep him waiting. SFS have offered £750 towards repairs but as Mr M hasn't had to pay for the repairs this is a generous offer that I think must be considered compensation for the issues he's experienced. I don't think the faults with the oil seal prevented him from driving the car or that they would have spoilt his enjoyment of the vehicle as he was able to cover over 20,000 miles in it. Considering all of the information in this case I think SFS's offer of £750 is reasonable and I'm not asking them to take any further action.

### **My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 14 May 2025.

Phillip McMahon  
**Ombudsman**