

The complaint

Mrs L complains that a car that was supplied to her under a hire agreement with Volkswagen Financial Services (UK) Limited, trading as Seat Financial Services, wasn't of satisfactory quality.

What happened

A new car was supplied to Mrs L under a hire agreement with Seat Financial Services that she signed in May 2024. The hire period was 36 months, Mrs L paid an advance rental of £741.74 and agreed to make 35 monthly rental payments of £246.72 to Seat Financial Services.

Mrs L says that the parking brake failed causing the car to damage itself and another car. She complained to Seat Financial Services about that in September 2024. It said that a manufacturer's dealer had confirmed that it was unable to replicate the fault and no fault was found with the handbrake on the car so it was unable to uphold her complaint as no manufacturing defect was confirmed.

Mrs L wasn't satisfied with its response so complained to this service. Her complaint was looked at by one of this service's investigators who, having considered everything, didn't recommend that it should be upheld. She said that Seat Financial Services had the car inspected and was unable to replicate the reported faults so she couldn't say that it needed to do anything more.

Mrs L didn't accept the investigator's recommendation and has asked for an ombudsman to issue a decision on her complaint. She's provided a detailed response and says that: the core issue is safety; an independent engineer has confirmed a defect; the manufacturer's dealer didn't investigate the fault properly and Seat Financial Services hasn't provided evidence to disprove the fault; she no longer trusts the manufacturer's dealer to repair the car; and her usage of the car reflects her concern. She also says that she's received information from the manufacturer's dealer that shows that an adjustment was made to the handbrake, but no proper testing was carried out.

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.

Seat Financial Services, as the supplier of the car, was responsible for ensuring that it was of satisfactory quality when it was supplied to Mrs L. Whether or not it was of satisfactory quality at that time will depend on a number of factors, including the age and mileage of the car and the price that was paid for it. The car that was supplied to Mrs L was a new car and I consider that it was reasonable for her to expect that it would be free from even minor defects.

Mrs L signed the hire agreement in May 2024 and she says that the car had been driven for about 700 miles before the incident occurred. There's no evidence to show that she'd had

any issues with the car's handbrake before the incident. After the incident, Mrs L took the car to an MOT testing centre for an informal brake test and her insurer arranged an inspection of the car. Mrs L says that the informal brake confirmed a weakness in the nearside rear parking brake and the inspection report said: "... *in my opinion, there is a latent defect with the rear braking system*".

The car was also looked at by a manufacturer's dealer after the incident and Seat Financial Services said: "*The following checks were carried out: Your vehicle was parked in neutral on a slope/hill with the handbrake engaged - handbrake functioned as expected. A technician carried out what is known as a handbrake adjustment process. This term can be quite misleading in that it implies that an adjustment was carried out. [The engineer] has explained that the handbrake adjustment process is essentially where an internal check is done of all the notches and cables within the handbrake. The inspection showed that all components were working as expected*".

In response to the investigator's recommendation, Mrs L says that she's received information from the manufacturer's dealer that shows that an adjustment was made to the handbrake, but no proper testing was carried out. The manufacturer's dealer says that the work that it did on the car was: "... *simple handbrake adjustment – no more than 10-15 minutes checking, no warranty claim made as very small repair and not claimable under warranty, as adjustment, in most cases customer would/should be charged, due to simplicity of adjustment, no claim or charges made*". Mrs L asked it for confirmation that it had repaired the car and it said: "*The only work carried out was an adjustment (tightening) of the handbrake, which was loose, as noted on the report The car drove well other than that, as no issues with the brakes were noted when we drove the vehicle ... Because there was no charge made for the handbrake adjustment, as it was deemed a small task by our team and completed with goodwill, there was no invoice raised on the system. [Manufacturer] would not have seen this as a repair or rectification work*".

I'm not persuaded that the adjustment made to the car's handbrake that has been described by the manufacturer's dealer is enough to show that the car wasn't of satisfactory quality when it was supplied to Mrs L. If I'm wrong about that and the issue with the handbrake did cause the car not to have been of satisfactory quality, I consider that the adjustment to the handbrake was an appropriate repair of that issue. Although Mrs L says that she no longer trusts the manufacturer's dealer to repair the car; and her usage of the car reflects her concern, I've seen no evidence to show that there have been any further issues with the car's handbrake.

In her response to the investigator's recommendation, Mrs L says that she's seeking reimbursement of the insurance excess and any related financial losses, compensation for distress and inconvenience and cancellation of the contract and reinstatement in full of the funds paid. As the handbrake has been adjusted and seems to be working correctly, I don't consider that it would be fair or reasonable for me to require Seat Financial Services to end the hire agreement and to refund to Mrs L the rental payments that she's made to it.

Mrs L says that the manufacturer's dealer advised that the car shouldn't be parked without leaving it in gear which it says is a group recommendation but she says that that isn't documented in the manual, and she's provided an extract from the manual about parking. It says: "*The handbrake should always be firmly applied when the vehicle is parked. Always note the following points when parking the vehicle: use the brake pedal to stop the vehicle, apply the handbrake, put it in 1st gear, switch the engine off and remove the key from the ignition, turn the steering wheel slightly to engage the steering lock, always take you keys with you when you leave the vehicle*".

The manual says: *“when parking the vehicle ... put it in 1st gear”*. There doesn't seem to be any dispute that the car was in neutral and not in first gear when the incident occurred. I consider it to be more likely than not that the incident wouldn't have occurred if Mrs L had put the car in first gear when it was parked as recommended by the manufacturer. I'm not persuaded that the evidence shows that the incident occurred as a result of the car not being of satisfactory quality so I don't consider that it would be fair or reasonable for me to require Seat Financial Services to reimburse Mrs L for her insurance excess or any related financial losses.

Mrs L has suffered distress and inconvenience because of the incident that occurred, but as I don't consider that the incident occurred as a result of the car not being of satisfactory quality, I find that it wouldn't be fair or reasonable for me to require Seat Financial Services to pay her any compensation for that distress and inconvenience. I don't consider that the handbrake needing a minor adjustment justifies an award of any compensation to Mrs L.

Mrs L clearly feels strongly that her complaint should be upheld, so I appreciate that my decision will be disappointing for her. I'm not persuaded that Seat Financial Services has acted incorrectly in these circumstances. I find that it wouldn't be fair or reasonable for me to require Seat Financial Services to take any action in response to Mrs L's complaint.

My final decision

My decision is that I don't uphold Mrs L's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs L to accept or reject my decision before 16 September 2025.

Jarrold Hastings
Ombudsman