

The complaint

Mr M complains that a car supplied to him under a conditional sale agreement with Hyundai Capital UK Limited trading as Hyundai Finance (HF) is of unsatisfactory quality.

What happened

The circumstances surrounding this complaint and my initial findings were set out in my provisional decision which said:

In November 2022 Mr M entered into a conditional sale agreement with HF to acquire a used car. The car was around five months old, with a mileage of around 1,806. The cash price of the car was £21,795.00 with an advance payment of £500.00 being paid. The total amount payable on the agreement was £26,093.13, payable over 49 months. This was made up of 48 monthly repayments of £330.75, with a final repayment of £9,717.13.

Mr M explained that in January 2024, he'd experienced a breakdown with issues with the 48v system of the vehicle with the car out of use for around two months. With this repaired, Mr M said the next breakdown encountered was in December 2024 with another failure of the 48v system reported. Mr M explained the vehicle was repaired and returned around a month later, however he suffered a third breakdown shortly after the car had been returned to him. This time, Mr M explained the repairs were taking significantly longer and still hadn't been completed up to late March 2025.

Mr M complained about this to HF. In its response, HF explained as the faults hadn't happened within the first six months of the agreement, they wouldn't be able to help, and so did not uphold Mr M's complaint.

As such, Mr M brought his complaint to this service, where it was passed to one of our investigators. The investigator didn't uphold the complaint. They explained there wasn't evidence to suggest the car was of unsatisfactory quality when it was supplied, meaning they wouldn't ask HF to do anything differently.

Mr M disagreed with this and so I've been asked to review the complaint to make a final decision.

I sent Mr M and HF my provisional decision on 12 June 2025. I explained why I thought the complaint should be upheld. The key parts of my provisional findings are copied below:

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

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 a car under a conditional sale agreement. Entering into consumer credit contracts like this is a regulated activity, so I'm satisfied we can consider Mr M's complaint about HF. HF is also the supplier of the goods under this type of agreement meaning they are responsible for a complaint about the supply of the car and its 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 that the durability of goods is an aspect 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.

In this case, Mr M acquired a car that was around five months old and had travelled around 1,806 miles. As this was a used car with this mileage and age, it's reasonable to expect parts may already have suffered a little more wear and tear when compared to a brand-new car or one that is even less travelled. There's a greater risk this car might need repair and/or maintenance sooner than a car which wasn't as road-worn. Having said this the car is still relatively new and had not travelled significant mileage.

I've reviewed the available evidence about the issues Mr M experienced with the car. Based on what I've seen, I'm satisfied that there were faults with the car. I say this because neither HF nor Mr M dispute that the car has had faults with the 48v system and I've seen invoices for repair work carried out relating to this and other issues with the vehicle. Having considered the car had a fault, I've considered whether it was of satisfactory quality at the time of supply.

I can see Mr M was able to use the vehicle for around 14 months before encountering the first breakdown. The invoice from the repairer that dealt with this list the mileage of the vehicle at 27,506 at this point. Mr M's total mileage allowance under his agreement was to be 24,000, so I do think Mr M has had significant usage of the vehicle within this time. The invoice states the repairer removed and replaced BMS LDC unit and cleared past faults, road test okay, topped up oil. Despite the miles Mr M had been able to travel, a reasonable person could expect the part that has failed on this occasion to have potentially lasted significantly longer than it did. I can't see evidence that the dealership or HF were told about this failure at the time or given the opportunity to act on it. Repairs were carried out as evidenced by the invoice, and Mr M has explained that he was kept mobile for a significant amount of time whilst his car was off the road.

In December 2024, Mr M explained he suffered another breakdown, and the vehicle was recovered to a different repairer. I can see an invoice dated in February 2025 that lists check and report 48v warning on dash. Confirmed warning on dash and 12v battery not charging. Carried out checks for earth cable tightness at chassis kick panel and boot area. all ok. Confirmed MHSG software updated. Relay operation normal. Erased DTC and road-tested 30 miles. Vehicle ok. If fault returns requires wiring checks at BSM unit.

Mr M again explained the repairs were carried out and he was kept mobile for a significant amount of the time his car was off the road. Mr M states he told the dealership and HF about the breakdown in January, But I haven't seen any evidence of this. I don't doubt this to be true to the best of Mr M's knowledge, but I haven't seen anything to show this. Repairs were accepted by Mr M and carried out.

After receiving the car back, Mr M explains he suffered a third breakdown. I haven't seen an invoice for the work that was required from this but it doesn't appear to be in dispute the vehicle was recovered to a repairer with further issues and Mr M has provided an email that appears to be from the repairer the car was recovered to. This states they checked the 48v warning, carried out wiring checks which traced back to an internal failure within the MHSG. This was replaced but did not resolve the fault. The repairer explained they rechecked the fault and found an internal failure within the power relay assembly, replaced power relay assembly, rechecked with the fault no longer present.

Mr M again said he'd been kept mobile for a significant amount of the time his car was off the road, but as this was the third time he'd suffered issues, and the car had been unavailable for him to drive for around three to four months, he'd started to lose faith in the vehicle. I've seen correspondence where Mr M is in conversation with the dealership about the most recent issues, and the dealership suggest bringing the vehicle to them so they can inspect the issues. Mr M said that the repairer the vehicle was currently with were expecting to carry out the work needed shortly, so the vehicle was not moved to the dealership. Altogether, I have enough to persuade me that the vehicle cannot be considered of satisfactory quality when it was supplied. I say this because a reasonable person could expect the issues with the BMS LDC unit and the battery to not have occurred within the timeframe and mileage that they did, meaning the car was not suitably durable.

I acknowledge the vehicle had travelled around 27,506 and 42,125 miles respectively, however durability needs to be considered alongside factors such as the price, age and mileage of the vehicle, as well as how often could the affected part be expected to be replaced, and its usage. Having considered these factors, Mr M paid a not-insignificant amount, for a car that was only around five months old and had travelled less than 2,000 miles. It is reasonable to expect parts such as the BMS - or battery management system to have lasted longer than it did.

Mr M encountered another issue with a warning light to do with the battery system, and it appears the repairer thought they'd fixed it with a software update. However very soon after this, the car failed again, resulting in further work to the car and battery system required. This is not giving the picture of a durable vehicle for the price Mr M paid for it, although I do acknowledge that when he's been able to drive it, he's achieved what I'd consider to be above average mileage.

It is for these reasons I was persuaded the car was not of satisfactory quality when it was supplied.

I invited both parties to make any further comments. Mr M responded to accept the provisional decision. HF responded to say they did not dispute the decision. Now both parties have had an opportunity to comment, I can go ahead with my 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.

As neither party responded to my provisional findings with any further information to be considered that changes my decision, I see no reason to depart from them above. I've copied below what I provisionally decided HF need to do to put things right. As I received no further information or comments that changes things as outlined here, this has also not changed.

Putting things right

As I've concluded that the car was not of satisfactory quality when it was supplied in relation to its durability, I think it's reasonable that HF should put things right.

In this case, I do agree that at each stage, a repair was a fair outcome. This means I would not agree rejection of the vehicle is a fair outcome. I say this because the faults have been diagnosed with a repair available, and it is reasonable after owing the car for this period of time, that the attempts to repair the vehicle were allowed and from what I've seen, the dealership weren't given the opportunity to take the vehicle in and repair it themselves. Mr M has also accepted a repair on each occasion to rectify the vehicle. The first I've seen Mr M try to reject the vehicle, was in February 2025, appearing to be after repairs had been accepted.

I also think repair was a fair way to approach this as Mr M took the vehicle to repairers of his choice. He's explained this is due to the dealership being some distance away, but in cases such as this, the supplying dealership should be given the option to look at the vehicle themselves and attempt a repair. Mr M has explained he's concerned about his safety, particularly after a particularly difficult experience with one of his breakdowns, and whilst I acknowledge this is important and Mr M's feelings about this, I can't recommend the car is rejected on the basis of something that may happen in the future.

As there are currently no outstanding issues with the vehicle, and I haven't seen anything to suggest Mr M has incurred a cost for the repairs, I consider that the repairs have been carried out as they should have.

Mr M explained he's been kept mobile for a significant amount of time whilst the vehicle has been unusable, and as such, I wouldn't recommend a refund of any monthly instalments. This is because when he has been able to use the vehicle, what I'd consider to be significant mileage has been covered, and when it hasn't been driveable, Mr M has been kept mobile by other means, although this will have come at some inconvenience to himself. Had he not been able to do this, a repayment of some monthly instalments may well be due.

I haven't seen that Mr M has incurred any other significant consequential costs from being supplied with a vehicle that was of unsatisfactory quality.

I then considered if a payment for distress and inconvenience is appropriate in this case. I do think it is fair HF pay Mr M £400 for the distress and inconvenience caused. This is due to the inconvenience and stress of several breakdowns, in particular one that caused Mr M to fear for his safety having no ability to put his hazard lights on. Mr M has explained how concerned he was about this, and I acknowledge this will have been a very distressing experience. Mr M has also gone to some lengths to keep himself mobile during the time his vehicle was unusable and this is likely to have incurred some costs as Mr M mentioned, but also the effort and time required to do this.

My final decision

For the reasons explained, I uphold Mr M's complaint and instruct Hyundai Capital UK Limited trading as Hyundai Finance to do the following:

- Pay Mr M £400 for distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 23 July 2025.

Jack Evans
Ombudsman