

## **The complaint**

Mrs S complains about a car supplied under a hire purchase agreement, provided by Mercedes-Benz Financial Services UK Limited trading as Mercedes-Benz Finance ('MBFS').

## **What happened**

Around December 2021 Mrs S acquired a used car under a hire purchase agreement with MBFS. The car is listed with a cash price of £11,336.50 on the agreement, was around three and a half years old and had covered around 39,040 miles. Mrs S didn't pay a deposit and was due to make repayments of £269.50 a month for 36 months.

Unfortunately, Mrs S says the car developed issues. She said the instrument display was faulty and intermittently showed lines.

The car was returned to the dealer in February 2023 and the instrument cluster replaced. Mrs S says the fault continued. It was taken back in March 2023 and November 2023 but no fault was found. In February 2024, another repair was carried out and the display was replaced again. But, Mrs S says the issues still persisted. The car was also taken back in June 2024, but no fault was found at this point.

In July 2024 Mrs S complained to MBFS and asked to reject the car. She said it had electrical issues with the instrument display and the stop/start function didn't work.

MBFS issued its final response in September 2024. In summary, this said no faults had been found at the dealer on the majority of the visits. It said faults can occur during the life of a car due to wear and tear. MBFS said it was happy with how the dealer handled the situation and that Mrs S had no right to reject the car.

Mrs S remained unhappy and referred the complaint to our service. She said she'd had to buy a second car due to the issues and was struggling to afford both.

Our investigator issued a view and didn't uphold the complaint. She said, in summary, that she thought it was likely a fault occurred around February 2023. But, she said given Mrs S had the car for some time and had covered over 6,000 miles in it, she thought the issue was due to wear and tear. And she said there was no evidence of any current faults. She concluded MBFS needed to take no further action.

Mrs S responded and said she didn't agree. She highlighted an email she'd sent in March 2023 saying the car had the same fault.

Our investigator explained this didn't change her opinion and asked Mrs S to provide any evidence of a current fault with the car. Mrs S didn't send in anything further.

As Mrs S remained unhappy, the complaint has been passed to me to decide.

## **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.

Having done so, I don't think this complaint should be upheld. I'll explain why.

Mrs S complains about a car supplied under a hire purchase agreement. Entering into regulated consumer credit contracts such as this as a lender is a regulated activity, so I'm satisfied I can consider Mrs S's complaint against MBFS.

When considering what's fair and reasonable, I take into account relevant law, guidance and regulations. The Consumer Rights Act 2015 ('CRA') is relevant to this complaint. This says, in summary, that under a contract to supply goods, the supplier – MBFS here – needed to make sure the goods were of 'satisfactory quality'.

Satisfactory quality is what a reasonable person would expect, taking into account any relevant factors. I'm satisfied a court would consider relevant factors, amongst others, to include the car's age, price, mileage and description.

So, in this case I'll consider that the car was used, had covered around 40,000 miles, was around three and a half years old and cost around £11,000. This means I think a reasonable person would not have the same expectations as for a newer, less road worn model. But, I still think they would expect it to be free from anything other than relatively minor defects and would've expected trouble free motoring for some time.

What I need to consider in this case is whether I think Mrs S's car was of satisfactory quality or not.

The first thing I need to decide is whether Mrs S's car had a fault. It doesn't seem in dispute that this was the case. I say this as I've seen notes from the repairing dealer. These state:

*"Date of 1st visit for instrument cluster going blank (invoiced on) - 28/02/2023 - 45151 miles - instrument cluster replaced"*

I've also seen notes from the end of February 2024 that state:

*"checked plug connection and internal fault with instrument cluster replaced instrument cluster and programmed"*

I'm satisfied the car had a fault with the instrument cluster in February 2023 and February 2024 and this was replaced on both occasions.

Our investigator explained this fault didn't make the car of unsatisfactory quality as she didn't think it was likely present or developing at the point of supply and had occurred through wear and tear.

I can appreciate this point. It's a little difficult from MBFS' notes to figure out exactly when the car was first returned to the dealer, but I believe this was around October or November 2022. At this point, Mrs S had the car for around a year and it was around four and a half years old. At the time of the first repair, the car had covered over 6,000 miles since Mrs S got it.

I agree here this means the fault wasn't likely present or developing at the point of supply.

Having said this, the CRA explains durability of goods should be considered as part of satisfactory quality. And while our investigator said the faults were due to wear and tear, I'm not convinced this is quite so clear cut.

On one hand, I accept electrical faults can happen and Mrs S did have the car for a significant period when it went wrong. On the other, I wouldn't really expect the instrument cluster to suffer from any wear and tear. So, I think this is reasonably finely balanced. That being said, even if I was to reach the conclusion that this issue meant the car wasn't durable and so of unsatisfactory quality, I still wouldn't ask MBFS to take any further action. I'll explain why.

Under the CRA, one of the remedies to put things right when a fault occurs is a repair.

I'm satisfied due to the notes above a repair took place in February 2023. And I can see Mrs S was given a courtesy car while the work was being done. So, from this specific point in time, I don't think broadly there would be much else for MBFS to do to put things right.

I appreciate Mrs S said the car continued to have issues following the first repair until the second, but there's no evidence, beyond her testimony, of this being the case. The car was seen in March 2023 and November 2023 and the dealer explained it couldn't find any fault.

A further repair was carried out in February 2024. Again, this would mean Mrs S's rights under the CRA had broadly been met at this time.

Mrs S then said the fault continued past this point. I want to reassure her that I've thought very carefully about what she's said. But I need to weigh this up against the lack of any other evidence. For instance, I've seen no photos or videos of any issue. Nor are there any reports, invoices or expert testimony detailing any faults since February 2024.

The notes from the dealer, following the second repair at this time state:

*"all ok"*

The dealer has also more recently seen the car. The notes from June 2024 state:

*"unable to fault"*

*"We have asked the customer if we can use car for extensive road testing - customer declined this request"*

*"We have started the car up sporadically to see if the instrument cluster is working and it is"*

Thinking about all of this, I haven't seen enough to persuade me the car still has a fault with it. It follows I'm satisfied that, even if I concluded the car was of unsatisfactory quality, by repairing the issues Mrs S's rights under the CRA have broadly been met and MBFS needs to take no further action.

Mrs S sent some emails in response to our investigator's view that she says show a fault with the car. But these were prior to the most recent repair. So, this doesn't change my opinion.

I've also considered what Mrs S has said about the stop/start function. But I've been provided with very little testimony about this and been given no other evidence. Based on the very limited information I have, I've not seen enough to persuade me the car has a fault here that means it was of unsatisfactory quality at the point of supply.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 13 June 2025.

John Bower  
**Ombudsman**