

The complaint

Miss C complains about the quality of a car she acquired under a hire purchase agreement with SECURE TRUST BANK PUBLIC LIMITED COMPANY trading as V12 Vehicle Finance (V12VF).

When I refer to what Miss C and/or V12VF said or did, it should also be taken to include things said or done on their behalf.

What happened

In March 2024, Miss C entered into a hire purchase agreement with V12VF to acquire a car first registered in April 2017. At the time of acquisition the car had travelled around 57,000 miles. The cash price of the car was around £8,390 and the amount of credit that was provided was approximately £6,390. The total amount payable was about £10,638. Miss C agreed to pay 47 monthly repayments, each in the sum of £179.74 and a final monthly repayment of £189.74, if she choose to purchase the car. An option to purchase fee of £10 was payable at the same time and is included in the final monthly repayment figure above.

Miss C said that from day one after the car acquisition she was experiencing problems with the stereo system, sat nav, and also problems with the gearbox. She said that after many attempts at trying to fix the car, she was still unhappy and felt unsafe in it. So she said that on the 9 July 2024 she rejected the car at the dealership and raised a complaint with V12VF, as she still felt uncomfortable with the car and was experiencing the same problems. Miss C told us about the impact this had on her: she struggled when using public transport and she told us about her health issues and the overall impact of this on her life.

In September 2024 V12VF wrote to Miss C and said an independent inspection has confirmed the car is not faulty, as the repairs done to the gearbox in July 2024 were successful. So they said, they understand that Miss C was not confident that the repairs had been successful, but V12VF said that an independent inspection confirmed the operation of the clutch and gears were normal, with no defects present. The inspection found no fault codes and stated the car was fit for purpose. As such, they advise Miss C to collect the car from the dealership and continue to make payments towards the credit agreement.

Miss C remained unhappy, so she referred her complaint to the Financial Ombudsman Service (Financial Ombudsman).

Our investigator considered Miss C's complaint. The investigator was of the opinion that the independent report, completed in September 2024, confirmed the repairs to the gearbox had been successful and that there were no current faults with the car, so the investigator did not think it would be fair and reasonable to ask V12VF to take back the car. However, the investigator thought they should pay Miss C £100 for the distress and inconvenience caused when dealing with the repairs.

V12VF agreed with the investigator, but Miss C did not.

So, 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.

Where evidence is unclear or in dispute, I reach my findings on the balance of probabilities – which is to say, what I consider most likely to have happened based on the evidence available and the surrounding circumstances.

In considering what is fair and reasonable, I need to take into account the relevant rules, guidance, good industry practice, the law and, where appropriate, what would be considered good industry practice at the relevant time. Miss C acquired the car under a hire purchase agreement, which is a regulated consumer credit agreement. Our service can look at these sorts of agreements. V12VF is the supplier of goods under this type of agreement and is responsible for dealing with complaints about their quality.

I have summarised this complaint very briefly, in less detail than has been provided, and largely in my own words. No discourtesy is intended by this. If there is something I have not mentioned, I have not ignored it. I have not commented on every individual detail. But I have focussed on those that are central to me reaching, what I think is, the right outcome. This reflects the informal nature of the Financial Ombudsman as a free alternative to the courts.

Also, I am only considering the aspects V12VF are responsible for and the ones I am able to look at. So, I cannot look at certain actions and/or inactions of the dealership(s) or broker which Miss C might be unhappy about such as feeling bullied by them after the car acquisition. As such, I am only looking at the events that have been raised by Miss C with V12VF and the ones they were provided an opportunity to address.

The Consumer Rights Act 2015 (CRA) covers agreements such as the one Miss C entered into. Under this agreement, there is an implied term that the goods supplied will be of satisfactory quality. The CRA says that goods will be considered of satisfactory quality where they meet the standard that a reasonable person would consider satisfactory – taking into account the description of the goods, the price paid, and other relevant circumstances. I think in this case those relevant circumstances include, but are not limited to, the age and mileage of the car and the cash price. The CRA says the quality of the goods includes their general state and condition, as well as other things like their fitness for purpose, appearance and finish, freedom from minor defects, safety, and durability.

In Miss C's case, the car was about seven years old when acquired and had travelled around 57,000 miles. So, it is reasonable to expect there to be some wear to it, and I would have different expectations of it compared with a brand-new car. As with any car, there is an expectation that there will be ongoing maintenance and upkeep costs. There are parts that will naturally wear over time, and it is reasonable to expect these to be replaced. So, V12VF would not be responsible for anything that was due to normal wear and tear whilst in Miss C's possession. But given the age, mileage, and price paid, I think it is fair to say that a reasonable person would not expect anything significant to be wrong with the car shortly after it was acquired.

Miss C thinks that she should be entitled to reject the car.

The CRA sets out that Miss C has a short term right to reject the car within the first 30 days, if the car is of unsatisfactory quality, not fit for purpose, or not as described, and she would

need to ask for the rejection within that time. Mr C would not be able to retrospectively exercise her short term right of rejection at a later date.

The CRA does say that Miss C would be entitled to still return the car after the first 30 days, if the car acquired was not of satisfactory quality, not fit for purpose, or not as described, but she would not have the right to reject the car until she has exercised her right to a repair first – this is called her final right to reject. This would be available to her if that repair had not been successful.

First, I considered if there were faults with the car.

From quotation for work dated 9 April 2024, I can see that the front door speakers needed work as they were not working properly and there was noise coming from the gearbox and the driveshaft. Furthermore, from an invoice provided by the supplying dealership, I can see that on 4 July 2024, a third-party transmissions garage has done repairs to the car's gearbox. The invoice total was around £954. On 9 July 2024 there was another invoice for a strut mounting kit.

Based on all of the above, I think the car was, most likely, faulty. But just because a car was faulty does not automatically mean that it was of unsatisfactory quality when supplied. So, I have considered if the car was of unsatisfactory quality when it was supplied to Miss C.

I considered that when Miss C acquired the car it was already about seven years old and had travelled around 57,000 miles, so it is reasonable to expect there to be some wear to it, and as with any car, there is an expectation that there will be ongoing maintenance and upkeep costs. I think such parts as the speakers and a strut mounting kit, which needed to be replaced when the car had travelled around 60,000 miles (about 3,000 miles since supply), would not in themselves render the car of unsatisfactory quality. I know these were replaced for Miss C at no charge, but considering the age, price and mileage of the car, combined with when the above issues were noted, I think it is most likely these faults are due to normal wear and tear and parts coming to the end of their life cycle. So overall, I've not seen enough evidence to be able to say that, most likely, V12VF would be responsible for these.

However, given the age, mileage, and price paid, I think it is fair to say that a reasonable person would not expect anything to be wrong with such significant items, such as the gearbox issues that Miss C was experiencing. Needing such a repair is a significant problem to arise and is very expensive to put right. As such I believe that, most likely, the car was not of satisfactory quality when it was supplied to Miss C because of the issues with the gearbox. But considering that the repairs done appear to, most likely, have been successful, I do not think it would be fair and reasonable for Miss C to be able to exercise her right under the CRA, to reject the car.

I know Miss C said that she does not feel safe in the car and I understand that she still thinks there are issues with the car that would allow her to now reject the car. So, I have taken everything she has said and provided into consideration, but I have also considered the independent report that was commissioned in September 2024. From the independent report I can see that the engineer concluded that at the time of inspection and road test, there were no clutch or gearbox defects present on the car. They said the reported gearbox noise defect was unconfirmed. They did state that the clutch pedal operation was a little heavy, however, it was considered to be a normal characteristic for Miss C's car model. Overall, the engineer said the car was fit for regular use on the public highway and that the recent gearbox repair has been successful. They also stated that the car was without excessive noise and vibrations on all major units, running gears were operating normally, and it was of satisfactory quality at the time of inspection. Taking everything into consideration, I think on

balance, the car gearbox has now been repaired, and was in the same state as when Miss C picked it up on 9 July 2024. As such I do not think it would be fair and reasonable for Miss C to be allowed to exercise the right of rejection under the CRA.

I also thought about the fact that when the car was having the gearbox repaired, Miss C was kept mobile in a courtesy car so I do not think V12VF need to refund her any of the payments she has made during that period. However, I know that Miss C has mentioned that this situation had an impact on her and had caused her a lot of distress and inconvenience while trying to resolve it. Miss C had told us she had to take the car back more than once and spend time trying to resolve this issue. I think Miss C would not have experienced all of this, had V12VF supplied her with a car that was of a satisfactory quality. So, I think V12VF should pay her a total of £100 in compensation to reflect the impact this situation had on her, including the distress and inconvenience that was caused.

I know that this is not the ideal outcome that Miss C would like and I would like to express my sympathy for the position she is in, as I know it has been a difficult time for her. However, I think that aside from paying her £100 for the distress and inconvenience caused, V12VF is not required to take any further action.

I remind V12VF that if Miss C is not able to make a payment(s) because of her financial situation, V12VF should work with her to arrange an affordable plan for her. This plan should allow her to repay the money due in a reasonable amount of time, or in a way that is sustainable (a plan that takes her circumstances into account and is realistic, affordable and one that leaves her with sufficient disposable income to account for other bills and contingencies).

My final decision

For the reasons given above, I direct SECURE TRUST BANK PUBLIC LIMITED COMPANY trading as V12 Vehicle Finance to pay Miss C £100 compensation, if this has not yet been done.

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

Mike Kozbial
Ombudsman