

## **The complaint**

Mr S 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 June 2023 Mr S entered into a conditional sale agreement with HF to acquire a used car. The car was around five years old, with a mileage of around 26,595. The cash price of the car was £23,425.00. An advance payment of £6,000.00 was made. The total payable on the agreement was £28,415.40, payable over 60 months. This was made up of 60 monthly repayments of £373.59.

Mr S explained he had not long had the vehicle when he noticed issues with the convertible roof. Having raised this with the supplying dealer, Mr S said he was told to have it investigated through a warranty he'd purchased. After around eight weeks, the issue had been resolved, but Mr S was unhappy with the length of time taken, and the lack of support he'd received as he had to take on most of the work to have it repaired. Since this repair, Mr S has also raised several other issues with the vehicle. Mr S outlined these as follows:

- Both driver's side and passenger side scuff plate illumination lights stopped working.
- Water leaking into the vehicle around the boot area.
- Intermittent faults with a front sensor.
- Intermittent faults with the vehicle's windows either not fully closing or opening.
- A sun-visor snapped off.
- A boot handle became broken.
- The traction control system disengaged randomly whilst driving.

Mr S raised some of these issues with the supplying dealer and raised a complaint as he didn't feel the car was safe to drive and was very unhappy with the issues occurring on the car he'd bought. Mr S wanted to reject the vehicle and has explained he tried to do this on several occasions. The car was eventually inspected by an expert engineer as part of the complaint, to determine if there were faults, and if so, were the faults likely present or developing at the point of sale.

The inspecting engineer said that the issues with the parking sensor and the sun-visor were likely due to wear and tear and are not the responsibility of the supplying dealer to fix. The engineer also said there was moisture in the boot area, but this was likely due to wear and

tear also. As such, HF rejected the complaint as the issues were deemed to be normal in-service maintenance faults rather than inherent faults present or developing at the point of sale.

Mr S was unhappy with this response and brought his complaint to this service where it was passed to one of our investigators.

The investigator didn't uphold the complaint. She said that the issues with the vehicle were likely due to wear and tear, and that as there isn't evidence to suggest the issues were present or developing at the point of sale, she doesn't think the vehicle was of unsatisfactory quality when it was supplied.

Mr S didn't agree with this, and so the complaint has been passed to me to review and make a final decision.

I sent Mr S and HF my provisional decision on 7 May 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.

Whilst I may not have commented on everything raised or provided, I've carefully considered all the information and points raised by Mr S and HF to reach my decision.

Mr S 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 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 the durability of goods is part of 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 S acquired a car that was around five years old and had travelled around 26,595 miles. As this was a used car with this mileage and age, it's reasonable to expect parts may already have suffered more wear and tear when compared to a new car or one that is 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.

I've reviewed the available evidence about the issues Mr S experienced with the car. Based on what I've seen, I'm satisfied that there were faults with the car. I say this because I've seen job cards relating to some of the faults raised by Mr S and can see these suggest work has been carried out to rectify them. Having considered the car had faults, I've considered whether it was of satisfactory quality at the time of supply. I'll also consider whether the car was suitably durable.

Firstly, I've looked at the issues Mr S had, to see if the car had faults that I'm persuaded were present or developing at the point of sale.

I acknowledge Mr S was unhappy encountering problems with the roof of the car and being unable to make full use of this part of it. I can see he'd raised this with the dealership, and they'd explained it could be best to go through the warranty. During this process I can see Mr S became frustrated with the lack of progress and explained that either they collect the car and get it fixed, or he'd be asking for a refund. The dealership did not collect the vehicle, and this was taken to a repairer by Mr S to be resolved.

I can see why Mr S thinks he's asked to reject the vehicle in his email in June 2023, however, I can't support that this is Mr S trying to reject the vehicle. The email shows him trying to arrange repair and a suggestion of what action he may take if this is not arranged by the dealership, however, no such action was followed up on by Mr S with a clear request to actually reject the car under his short-term right to reject as laid out by the CRA. At this point, Mr S has allowed an attempt to repair the vehicle.

I can see Mr S also mentioned he'd tried again to reject the vehicle, having looked at these emails, this follows the same pattern as above, where Mr S explains the action that he may take, but doesn't follow this up. Later on Mr S does then formally try to reject the vehicle, however this is considered too late in the process and I'm not persuaded HF have acted incorrectly on these points as the short-term right to reject window had passed, and Mr S had also allowed a chance to repair to the issue with the roof, and there was no evidence at that point the repair had failed. I acknowledge Mr S is unhappy and feels he should've been told the correct process for exercising his right to reject the vehicle, but I can't see that this has caused him to be unable to do so.

The repair does then take place, but not without Mr S having to take the vehicle in himself, and then wait for the vehicle to fault again before taking it back to the repairer to be resolved. I don't have anything that suggests to me this issue with the roof made the car of unsatisfactory quality supporting rejection of the vehicle, as this was repaired as allowed by Mr S.

Turning to the other faults listed by Mr S, for me to say that the car was of unsatisfactory quality, it can be useful to rely on expert evidence such as an independent inspection report from an engineer. We have a report in this case from a third-party inspecting engineer. I can see from information sent in, Mr S has little confidence in the validity of the report or the findings in it.

The report doesn't mention the issue with the roof. The report does mention an issue with a parking sensor, to which it is the engineer's opinion the fault was not present or developing at the point of sale and is a repair needed due to wear and tear. I can see the engineer isn't sure of the exact cause of the fault but expresses that either way the fault would not likely have been present or developing at the point of sale.

I acknowledge Mr S' comments around not being able to see the exact root cause of the fault, meaning the engineer can't be sure there wasn't a fault at the point of sale.

The engineer makes reference to the mileage of the vehicle, stating it has covered around 12,000 miles and that due to the miles covered by Mr S since purchase, this adds to their opinion the fault wasn't present at the point of supply. I can see Mr S has raised this fault earlier than the date of inspection however.

The engineer also reports on the sun-visor. In their opinion, this was also due to wear and tear and was not a fault present or developing at the point of sale. The engineer had said the visor could potentially be repaired. Mr S supplied information from a repairer associated with the car manufacturer stating that a replacement was necessary. HF clarified this with the inspecting engineer, who then agreed a replacement may be necessary. However this didn't change their opinion that the visor had failed due to normal wear and tear, and wasn't something HF were responsible for.

The engineer reported on the issue with the water leaking into the boot. I can't see they were made aware by HF that this would be something to inspect before the examination took place, but I can see they have reported on it. It's the engineer's opinion that the water is getting into the car through normal wear and tear, and that there isn't a fault present or

developing at the point of sale although an exact cause has not been found or commented on.

Mr S has raised the issue of water getting into the vehicle on a number of occasions, and I can see he has sent in information showing that water had got into the vehicle at different times, including early on. I acknowledge Mr S' frustration with the water issue. Mr S explained he'd tried to take a reasonable approach to this and thought that the boot area could've become wet through being opened when the vehicle was wet, but became convinced there was an issue.

Mr S also raised issues that were not reported on within the engineer's report. It is clear from later job sheets that the scuff plate on the driver's side failed to illuminate, and this was replaced. Further into Mr S' ownership of the vehicle the other scuff plate light stopped working also. Mr S explains there is intermittent issues with the windows making the car unsecure as the windows may not close fully. I have no information to show what is causing these issues. I can see a software update was raised as an option at one point, however Mr S didn't want to pay for this update as he's explained it may not have fixed the issues.

More recently Mr S has also mentioned the boot handle broke off and the traction control system disengaged itself whilst he was driving. This accumulation of faults eventually led to Mr S deciding to declare the vehicle off-road following the SORN process.

Whilst the repetition of faults and certainly intermittent faults can cause great frustration, I also do think it's reasonable to expect some level of software updates could be needed and that on occasion some unexpected maintenance items can occur even if they seem unusual or not part of routine servicing.

Having considered the above, I then moved on to consider if the car was suitably durable. Having looked at all of the faults and issues Mr S has encountered, or explained he's encountered and taken into account all of the evidence provided from both parties, I'm persuaded that the car was not suitably durable, meaning it wasn't of satisfactory quality in this area when it was supplied.

Mr S was due to pay a cash price of over £23,000.00 for the car. This is not an insignificant amount, for a vehicle around five years old, that had travelled around 26,595 miles. A reasonable person might expect the price paid for the vehicle, to guarantee a certain level of usage free from the type and amount of defects Mr S has encountered through his ownership of this car.

It seems to me a reasonable person might expect the car to remain leak free beyond the amount of time it has done so, alongside the sun-visor snapping off. I do think a reasonable person would expect such a price paid for the car to ensure a sun-visor wouldn't simply break off after a few months of ownership, even with the car being around five years old when purchased. I have no evidence to suggest Mr S was particularly heavy handed with the vehicle, and yet Mr S explains the boot handle has also broken off. This is not giving the picture of a vehicle that is suitably durable considering it's age and mileage, and the price paid. The fact these faults appeared within the timeframe they did persuades me the car was not suitably durable. A reasonable person might expect this vehicle's parts to not simply break off or allow water in at this point of ownership.

Mr S has raised a few issues that seem to relate to electronics of the vehicle. I think having paid the price Mr S did, a reasonable person could expect to have had use of the vehicle without so much repeat trouble with the electronics. We don't have anything to show the cause of these.

Potentially this could be linked to the water ingress into the vehicle, but we have no information to confirm this. The errors may have been helped with a software update or it could also have been wiring issues. However, I'm persuaded that the electronic issues reported also show the car was not durable. If the car was much older, and had travelled many more miles, I think it might be reasonable to run into this amount of trouble with it, however for this vehicle at this mileage, age and the price paid for it, Mr S could reasonably have expected not to have experienced the number of issues he has explained he's had with it. Some of the faults are documented, and others are stated by Mr S to have happened. I'm satisfied that based on the documented ones alone that the car was not suitably durable, but I have no reason to doubt Mr S has encountered further problems.

I invited both parties to make any further comments. Mr S responded to say he accepted my provisional decision and let me know some information about an outstanding balance showing on his statement of account with HF that he wanted clarification on if he needed to pay this or not. HF responded to say they accepted my provisional decision. I wanted to take this opportunity to explain that the outstanding balance referred to by Mr S does not need to be repaid by him as the agreement is being treated as ended as of 14 June 2024 with nothing further for him to pay beyond this. HF has not provided anything to show that this would be payable under the circumstances. Essentially Mr S will only be responsible for paying the monthly instalments from when he took out the agreement up until 14 June 2024 as outlined in my provisional decision and will be fully explained in my final decision section.

Now both sides have had an opportunity to comment, I can go ahead with my final decision.

## **Findings**

As neither party responded to my provision decision with any further information that would change my reasoning or outcome, I see no reason to depart from my findings 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 affect this, this has also not changed.

## **Putting things right**

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

In this case, as the parts were not suitably durable when supplied, and there has been an unreasonable amount of time passing from the date the issues were discovered, the fairest way to redress things will be to treat the vehicle as rejected from the point in time Mr S applied for the statutory off road notification (SORN).

As such, this means HF should treat the vehicle as being rejected as of 14 June 2024. HF should arrange to refund any monthly instalments paid after this date as well as refunding the deposit paid. HF are entitled to retain any portion made up of dealer contributions if applicable. HF will need to repay any voluntary termination fee paid by Mr S as I understand he has recently explored this option.

HF should arrange to collect the vehicle at no cost to Mr S if this has not already been carried out. Mr S has stopped using the vehicle and has stated he's paying for insurance on another car whilst he was unable to use the one provided by HF. HF should cover the evidenced cost of the insurance paid by Mr S on the vehicle under this agreement from 14 June 2024 as this is a cost he should not have had to incur if HF didn't supply him with a vehicle of unsatisfactory quality. As he's not been able to use this vehicle and had to source another one, he has been incurring duplicate costs. It's fair for Mr S to only have been paying for one insurance policy. Had he continued to use the vehicle, I'd think differently

about this.

I've thought about if Mr S had any loss of use of the vehicle outside of what I've recommended above. I can see that he's been able to travel around 16,000 miles based on the MOT information on 17 May 2024, from when he took ownership of the car, and as such, I can't say that Mr S has had impaired use of the vehicle until he took the decision to stop using it permanently.

I can see early on there were days where Mr S was without his car and had to purchase temporary insurance to stay mobile, I think it's fair that these costs are also covered by HF as the issue with the roof happened so soon after purchase if evidence can be provided of them.

I've also considered the impact these events had on Mr S. I can see Mr S has had to spend a lot of time and effort trying to have the issues resolved. It's taken numerous calls, emails and trips to try to rectify issues with the car. This is on top of the distress and concern that he is driving a vehicle that had numerous unresolved issues. To recognise the time and effort spent, as well as the distress caused to Mr S, it is fair for HF to pay him £300 for the distress and inconvenience caused.

### **My final decision**

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

- Treat the vehicle as rejected from the point Mr S applied the SORN (14 June 2024). Ending the agreement from this point with nothing further to pay.
- Collect the vehicle at no cost to Mr S if this has not been carried out already.
- Refund any monthly payments paid by Mr S after 14 June 2024.
- Refund the deposit paid towards the agreement. Hyundai Capital UK Limited trading as Hyundai Finance is entitled to keep any portion made up of dealer contributions if applicable.
- Refund any voluntary termination fee paid after 14 June 2024 if applicable.
- Refund evidenced insurance costs incurred on the vehicle under this agreement after 14 June 2024 until the date of settlement.
- Refund any evidenced costs of insurance paid elsewhere to stay mobile by Mr S whilst his car was unusable during repair of the roof issue.
- Pay 8% simple yearly interest\* on the above, to be calculated from when Mr S made the payment to the date of the refund.
- Pay Mr S £300 for the distress and inconvenience caused.

\*HM Revenue & Customs requires Hyundai Capital UK Limited trading as Hyundai Finance to deduct tax from the interest amount. Hyundai Capital UK Limited trading as Hyundai Finance should give Mr S a certificate showing how much tax it has deducted If he asks for one. Mr S can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 30 June 2025.

Jack Evans  
**Ombudsman**