

The complaint

Mr S complains that a car acquired under a hire purchase agreement with Volkswagen Financial Services (UK) Limited trading as Audi Financial Services ("AFS") wasn't of satisfactory quality at the point of supply.

What happened

Both parties are familiar with the background of this complaint so I will only summarise what happened briefly here.

In October 2024, Mr S entered into an agreement to acquire a brand-new car from a manufacturer-approved dealership (N). An advance payment of £14,500 was made, with the balance being provided under a hire purchase agreement with AFS. The agreement was for 42 months, with 41 monthly payments of £832.76 and an optional final payment of £39,870.55 if Mr S wanted to keep the car at that point. The cash price of the car was £79,725.

A day after collection Mr S got in touch with N to explain that he felt the cabin noise he was experiencing was excessively loud. He took the car back to N the same week and has said the technician said it was 'loud,' possibly to do with the wheel size and tyre options. Mr S was prepared to accept a trial period with the car having new wheels and tyres fitted, to see if this reduced the noise, but this wasn't forthcoming from N.

Mr S complained to the manufacturer, and then to AFS in mid-November 2024. AFS didn't uphold his complaint. They said N and the manufacturer had confirmed the noise as a characteristic of this particular model of car with its specification and wouldn't support a replacement of the wheels. AFS did say they would agree to a tyre change as a gesture of goodwill. Mr S said that rejection of the car was his only other option, but as AFS hadn't accepted the cabin noise was excessively loud, and therefore unsatisfactory, they didn't allow Mr S to reject the car.

Mr S brought his complaint to our service. Our investigator didn't uphold it. She said the evidence provided wasn't conclusive to suggest the cabin noise was excessively loud, so she couldn't come to the conclusion the car was unsatisfactory at the point of supply.

Mr S didn't agree. He said no-one should expect to pay what he'd committed to for a car for there to be excessive noise in the cabin when it's being driven. He maintained it was a fault with this particular model of car. He also said the car he'd test-drove prior to entering the agreement had a different specification, so he feels he was misled into acquiring the car.

As Mr S didn't accept, 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.

When considering what is fair and reasonable, I'm required to take into account: relevant law and regulations, relevant regulatory rules, guidance and standards and codes of practice.

Both parties have provided a lot of information in this case. I'd like to reassure them both that I've read and considered everything that's been sent. But, I will be focussing my comments on what I think is relevant. If I don't comment on a specific point, it isn't because I haven't considered it, but because I don't think I need to comment in order to reach what I think is the right outcome. This is not intended as a discourtesy but reflects the informal nature of this service in resolving disputes.

Where the evidence is incomplete, inconclusive, or contradictory, I reach my decision on the balance of probabilities. In other words, what I consider is most likely to have happened in light of the available evidence and wider circumstances. I don't have the power to interview the parties, compel witnesses or marshal sworn testimony. I'm reliant on the evidence that is put before me.

The fact the car was supplied to Mr S under a hire purchase agreement means that the credit provider has responsibility for things that were said or done by N prior to Mr S' entry into the agreement.

I think it's worth starting by explaining that I'm only looking at AFS' responsibility here as the finance provider for the car. Mr S has voiced concerns about N and the manufacturer and has been engaged in a lot of conversation with them post-sale – but at that time N weren't acting as agents of AFS, and AFS can't be held responsible for anything N have said or done post-sale. This applies to the manufacturer too.

As the hire purchase agreement entered by Mr S is a regulated consumer credit agreement this service is able to consider complaints relating to it. AFS are also the supplier of the goods under this type of agreement and are responsible for a complaint about their quality.

The Consumer Rights Act 2015 (CRA) covers agreements like the one Mr S entered. Because AFS supplied the car under a hire purchase agreement, there's an implied term that it is of satisfactory quality at the point of supply. Cars are of satisfactory quality if they are of a standard that a reasonable person would find acceptable, taking into account factors such as, amongst other things, the age and mileage of the car and the price paid.

The CRA also says that the quality of goods includes their general state and condition, and other things like their fitness for purpose, appearance and finish, freedom from minor defects and safety can be aspects of the quality of the goods.

But on the other hand, satisfactory quality also covers durability. For cars, this means components must last a reasonable amount of time. Of course, durability will depend on various factors. In Mr S' case, the car was brand-new, and I wouldn't expect it to have any quality concerns.

Our investigator has explained that she thinks the car was of satisfactory quality when it was supplied. Or rather, that the noise being experienced in the cabin hasn't been conclusively shown to be a fault, as opposed to a characteristic of the car, and as such she can't hold AFS responsible. I agree in this case. I'm satisfied there is cabin noise in the car. Mr S has said the cabin is noisy – N have confirmed there is noise – but I'm not persuaded that I have enough evidence to conclusively say the noise is a fault in the car. I'll explain why.

The CRA explains that where goods are found not to have conformed to the contract within the first six months, it is presumed the goods did not conform to the contract at the point of supply. Unless the supplier, AFS in this case, can prove otherwise. Mr S brought the

concerns with the cabin noise to AFS' attention within a month of acquiring the car, so I need to decide if AFS has done as I'd expect them to do in the circumstances.

In this case, AFS received information from N and also from the manufacturer about the noise levels Mr S was experiencing in the cabin of the car when driving it. Both confirmed there was noise in the cabin, but that it was a characteristic in this model. They said the wheel size and quality of tyres on the car could be a factor. They offered to change the tyre to see if that led to any difference in noise level – but as there was a chance that this alone wouldn't lead to any reduction in noise, Mr S didn't want to go ahead. He felt the wheels needed to be changed to a smaller size as well as the tyres, and he was prepared to trial those changes. As AFS didn't see any justification to change both, they said they wouldn't be going ahead.

Here, I think it's reasonable for AFS to rely on the opinions of N and the manufacturer of the car to decide if the cabin noise being heard was excessively loud in Mr S' case. I say that because N have visually inspected the car and taken it for a drive, and I'm satisfied it's reasonable to expect the manufacturer to know if a feature, or noise, in a car was a characteristic of that car or whether it was a fault. I appreciate Mr S has his own opinions on this and has suggested N changed their mind as to the proposed remedy of changing the wheels and tyres – which he believes was as a result of pressure applied from elsewhere. But I have no evidence to suggest that was the case. It would be for Mr S to counter the opinions of AFS with conclusive evidence of his own, and I'm not persuaded he has been able to do that.

Mr S has provided an audio recording of the cabin noise in the car. But he himself accepts the audio isn't clear as to the volume of the noise and having listened to it I have to agree with him and our investigator. There is noise – but I would expect there to be some from a fully-electric car as there is no engine noise to counter any road noises that might be heard in other transmission cars. But it's impossible for me to conclude, from the audio recording and other evidence in this case, that the cabin noise in Mr S' car is excessively loud and therefore a fault of the car – meaning it would be of unsatisfactory quality. I don't have enough evidence for me to come to that conclusion. So, it follows that I'm more persuaded than not that the cabin noise doesn't render the car as unsatisfactory from the point of supply, and AFS have acted fairly by not allowing Mr S to reject it.

Mr S has also said that he feels he was mis-sold the car, as the one he test-drove had different specification, which wasn't available on the model he was interested in, and it had much less cabin noise. However, for me to conclude that misrepresentation has taken place I have to be satisfied that Mr S was told a false statement of fact, and that that false statement of fact induced him into acquiring the car and entering the agreement. However, I haven't seen anything to confirm that Mr S was told there would be no, or limited, cabin noise – so I can't say that a false statement of fact has been made in this case. I won't be concluding that a misrepresentation has taken place here.

I know this decision will come as a disappointment to Mr S and I understand why. He is paying a lot of money for a luxury car and isn't satisfied with it. But I can only conclude the noise levels make the car of unsatisfactory quality, and that Mr S should be allowed to reject it, if I have conclusive evidence that the noise level in Mr S' car is excessively loud – and I'm not persuaded I have that conclusive evidence in this case.

I'd like to remind Mr S that he's free to reject this decision if he feels he can achieve a better outcome by alternative means, such as through the courts.

My final decision

For the reasons above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 17 October 2025.

Kevin Parmenter
Ombudsman