

The complaint

Mr M complains about a car supplied to him using a hire purchase agreement taken out with FCE Bank Plc trading as Ford Credit ("FC").

What happened

Mr M referred a complaint to us along with his representative. As the complainant is Mr M, for ease, I have addressed my decision to him only throughout, when referring to what he and his representative have told us.

In November 2024, Mr M acquired a brand-new car using a hire purchase agreement with FC. The cash price of the car recorded on the agreement was £27,898.31, the agreement was for 49 months, made up of an initial payment of £427.81, which included a finance facility fee, followed by 47 regular, monthly repayments of £417.81, followed by a final optional payment of £11,273, which included an option to purchase fee. The deposit recorded on the agreement was £100. The permitted annual mileage recorded on the agreement was 9,000 miles.

Shortly after acquiring the car, Mr M experienced issues with it towards the end of January 2025 as the car wouldn't start. Mr M requested the services of a third-party breakdown recovery service, who thought there was a power drain from the battery. Mr M took the car to a manufacturer dealership, with the support of the third-party breakdown recovery service and he said they had the car for around a week. The dealership were not able to replicate the concerns and found no fault, but they still performed a software update on the Battery Energy Control Module ("BECM") and alternator.

Mr M experienced similar issues with the car again a few days after it was returned to him in February 2025 and he took it back to a dealership garage. The dealership said no fault could be identified but they replaced the battery under warranty.

A few days later, Mr M returned the car to a dealership garage for the third time, as a battery drain was detected. The underlying reason for the battery drain couldn't be determined.

Mr M complained to FC in February 2025, due to the quality of the car and because he thought it was mis sold to him in relation to how the car should be driven.

FC issued their final response later in the month. FC explained that they didn't uphold Mr M's complaint as there was no confirmed fault with the car and they didn't think it was mis sold to him.

Unhappy with FC's response, Mr M referred his complaint to our service.

In May 2025, Mr M had a diagnostic scan completed on the car with a recorded mileage of 2,044 miles. It showed there was a fault found in relation to the battery charging, and it suggested there was a fault with the alternator, considering the battery was recently replaced.

Our investigator issued their view where they explained why they upheld Mr M's complaint. In summary, he said there was a fault with the car and didn't think it was supplied of satisfactory quality to Mr M. Among other things, our investigator thought Mr M should be allowed to reject the car and have refunded 15% of his monthly repayments from when the car first broke down in January 2025, as well as receive £250 for the distress and inconvenience caused to him due to this complaint. Our investigator also told FC to reimburse Mr M the cost of the diagnostic check he had completed in May 2025, as well as his deposit towards the agreement and the trade in value he received for his previous car.

Mr M accepted the investigator's findings. As FC didn't respond, the complaint was passed to me to decide.

In June 2025, Mr M supplied some photos of the car's dashboard which showed an error message in relation to the car's battery.

In July 2025, Mr M confirmed the car was back with the dealership to be investigated. An email was supplied by a dealership to show that they had approval from the manufacturer to replace the starter generator to the car.

In August 2025, Mr M informed our service that the repairs had been carried out and the car now seems to be working with no issues.

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'm upholding this complaint and I'll explain why below.

I'm aware I have summarised events and comments made by both parties very briefly, in less detail than has been provided, largely in my own words. No discourtesy is intended by this. In addition, if there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is a fair outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as an alternative to the courts.

Mr M complains about a car supplied to him under a hire purchase agreement. Entering into consumer credit contracts such as this is a regulated activity, so I'm satisfied I can consider Mr M's complaint about FC.

When considering what's fair and reasonable, I take into account relevant law and regulations. The Consumer Rights Act 2015 ("CRA") is relevant to this complaint. The CRA explains under a contract to supply goods, the supplier – FC here – has a responsibility to make sure goods are of satisfactory quality. Satisfactory quality is what a reasonable person would expect – taking into account any relevant factors. It's important to point out in this case that the CRA specifically explains that the durability of goods can be considered part of whether they are unsatisfactory quality or not.

I would consider relevant factors here, amongst others, to include the car's age, price, mileage and description. So, it's important to note here that the car Mr M acquired was brand-new and I think a reasonable person would expect it to be in excellent condition, with no faults or issues. And I think they would expect trouble free motoring for a significant period.

What I need to consider is whether the car was of satisfactory quality when it was supplied. And in order to do that, I first need to consider whether the car developed a fault.

Had the car developed a fault?

Mr M has explained that the car broke down on several occasions in relation to a battery drain issue, which started around two months and 1,150 miles after the point of supply. Mr M supplied reports from a third-party breakdown recovery company which showed there was a battery drain, and I've noted that the battery was replaced at around 1,200 miles, once a fault code was found in relation to it.

After the replacement of the battery, the car still had further issues with it. So, Mr M commissioned a diagnostic report to be completed on the car at around 2,050 miles as FC didn't think there was a fault with the car.

The report said:

"Battery charging at 12.7v dropping to 12.2v.. alternator at fault (battery brand new)...Recommend replacing faulty alternator..."

Since the report, the car had a further battery drain issue and the car's starter generator was scheduled to be replaced.

Considering the above, I'm satisfied there was a fault with the car in relation to the battery consistently draining, which needed to be diagnosed.

Was the car of satisfactory quality at the point of supply?

Given the car was brand-new when it was supplied to Mr M, I'm satisfied the car wasn't durable. I wouldn't expect there to be a need to replace items such as the battery and the starter generator so early in the car's lifetime. And so, I'm satisfied a reasonable person would not consider it to have been of satisfactory quality when it was supplied to Mr M.

Remedies under the CRA

What I now need to consider is whether FC needs to do anything to put things right.

I've gone on to think carefully about the remedies available to Mr M under the CRA.

Section 24(5) of the CRA says:

"a consumer who has ... the right to reject may only exercise [this] and may only do so in one of these situations – (a) after one repair or replacement, the goods do not conform to contract."

This is known as the single chance of repair. And this applies to all issues with the goods, and to all repairs i.e. it's not a single chance of repair for the dealership *and* a single chance of repair for FC – the first attempted repair is the single chance at repair. What's more, if a different fault arises after a previous repair, even if those faults aren't related, the single chance of repair has already happened – it's not a single chance of repair per fault.

In this case, there was an attempt to repair the battery drain issue by replacing the battery, following a fault code appearing. But the issue with the car persisted after the battery replacement.

So, I'm satisfied FC already had the opportunity to repair the car and I think it failed, or the car had an underlying fault that was never put right.

I am mindful, however, that from what Mr M says, the car's starter generator has now been replaced following a further breakdown while the complaint was with our service. This repair took place around a month or so ago and from what Mr M says, *"the car seems to be okay for now"*.

I don't think it changes my opinion on whether Mr M should be allowed to reject the car now that it has been repaired. I say this because, Mr M has previously had components with the car replaced and the car continued to have issues with it. So, there's no guarantee that replacing the starter generator will also resolve issues here. And I don't think it is fair Mr M should hold the burden of the uncertainty on whether the repairs resolved the issue. I'm also mindful that Mr M says he lost faith with the car, and I can see he asked to reject the car early on, but this request was declined by FC.

So, on balance, I'm satisfied Mr M can reject the car and should have been allowed to when he complained to FC, considering one opportunity had already been given to repair it.

Mr M paid a £100 deposit which was recorded on the agreement, as well as giving £416.67 which was his trade-in allowance which was recorded on the vehicle invoice. In this instance, I think it is fair both these amounts are reimbursed to Mr M, alongside the agreement ending and the car being collected, at no cost to Mr M.

Impaired usage

While I accept there were issues with the car, Mr M continued to have use of it. So, I don't think it would be fair for FC to reimburse Mr M all monthly repayments he made towards the agreement. But I do think it is fair that he is reimbursed for the impaired usage of the car. I've noted the relatively small amount of time Mr M was in possession of the car, alongside how often issues appeared with it. I have also considered that Mr M was kept mobile on occasions with courtesy cars being provided.

Pragmatically speaking here, I think it is fair and reasonable for FC to reimburse Mr M 15% of monthly rentals from the time issues first appeared on 28 January 2025 up until when the agreement ends and the car is collected.

Other costs

In May 2025, Mr M paid £99 to have a diagnostic test completed on the car. As I'm satisfied the car was not of satisfactory quality at the point of supply, I'm satisfied FC should reimburse Mr M this amount.

Distress and inconvenience

Mr M has explained the impact this complaint has had on him. And I can appreciate the frustration he must have felt, given he acquired a brand-new car, only for there to be issues with it within a couple of months. And I'm also mindful that Mr M felt he had exhausted all his options when complaining to FC, despite strongly believing there was an issue with the car, which there appeared to be in the end.

Considering the above, FC should pay Mr M £250 for the distress and inconvenience caused by this complaint.

Mr M also complained as he believed the car and agreement had been misrepresented in

relation to how the car could be driven. I haven't made a finding on this matter as I no longer think I need to, considering I already think FC should put things right as I have directed them to do so below.

My final decision

For the reasons I've explained, I uphold this complaint and I instruct FCE Bank Plc trading as Ford Credit to put things right by doing the following:

- End the agreement ensuring Mr M is not liable for monthly rentals after the point of collection (it should refund any overpayment for these if applicable).
- Collect the car (if this has not been done already) without charging for collection.
- Refund Mr M's deposit of £100 which was made towards the agreement. *
- Refund Mr M the trade-in allowance of £416.67, which was the value he was given for a previous car which was recorded on this car's invoice. *
- Reimburse Mr M 15% of repayments made towards the agreement from when the car first presented faults on 28 January 2025 to when the agreement ends and the car is collected. *
- Reimburse Mr M £99 for the cost of the diagnostic test completed on the car on 20 May 2025. *
- This Pay Mr M £250 to reflect the distress and inconvenience caused.
- Remove any adverse information from Mr M's credit file in relation to the agreement, if any.

* These amounts should have 8% simple yearly interest added from the time of payment to the time of reimbursement. If FC considers that it's required by HM Revenue & Customs to withhold income tax from the interest, it should tell Mr M how much it's taken off. It should also give Mr M a tax deduction certificate if they ask for one, so they can reclaim the tax from HM Revenue and Customs if appropriate.

If FC has already given compensation in relation to this specific complaint, the final amount should be less the amount already given.

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

Ronesh Amin
Ombudsman