

The complaint

Mr E is complaining about the quality of a vehicle supplied to him by RCI Financial Services Limited trading as Mobilize Financial Services (Mobilize).

What happened

In January 2024, Mr E acquired a vehicle via a hire purchase agreement with Mobilize. The agreement states he paid a deposit of £4,851 and borrowed £7,844 – the cash price of the vehicle was £12,695. The car was first registered in November 2018 and had done around 89,000 miles by the time Mr E acquired it.

Mr E contacted the dealership before the end of January to tell them he wanted to return the car. He described some problems with the it and said in addition the agreement hadn't been set up correctly. The dealership said they'd need Mr E to get the fault diagnosed to confirm that the car was unfit for purpose before they could accept the return.

Mr E then contacted Mobilize. He said he wanted to reject the vehicle but didn't have time to get a diagnosis of the faults. He told Mobilize he couldn't afford the agreement and that he wanted a two-year Personal Contract Purchase (PCP) instead of the three-year hire purchase agreement.

Mobilize didn't uphold Mr E's complaint. They said the terms of the agreement were clear and they hadn't seen anything to suggest the dealership had misrepresented the agreement to Mr E. But Mobilize didn't comment on Mr E's complaint that the car was faulty.

Mr E remained unhappy so brought his complaint to our service. He said there were issues with the car cutting out, requiring a new battery, there being an unresolved squeaking noise, and issues with the fuel pressure sensor. He said these arose within a few days of the car being delivered and he wanted the dealership to take the car back. Mr E said the dealership wouldn't do anything without a diagnostic report, but it took two to three weeks to get an appointment with a main dealer to do the diagnostics.

One of our investigators looked into the complaint and thought it should be upheld. He said, in summary, that a fault arose with the car within 30 days of delivery and therefore Mr E had the right to reject the car under the Consumer Rights Act 2015 (CRA). Our investigator said Mobilize should refund all payments Mr E had made, including his deposit, and should pay Mr E £200 for the distress and inconvenience caused.

Mr E queried the amount of the deposit in our investigator's view, but generally accepted it. But Mobilize did not. They said Mr E's complaint to Mobilize had been about the finance agreement not about the quality of the vehicle. But, they said, even if it was about the quality of the vehicle, it would be reasonable to expect that a car that had travelled 89,000 miles might need some work. And they didn't think the diagnostics report from the main dealer was satisfactory evidence that the car was cutting out. They also said the dealership had had an independent vehicle inspection carried out before selling the car, which confirmed that the car was of satisfactory condition at supply taking into account its age, mileage and value.

Mobilize asked for a decision – and the matter came to me. I issued a provisional decision on 12 June 2025. In that I said:

"Firstly, I'm aware that I've summarised this complaint in far less detail than the parties and using my own words. I'm not going to respond to every point made. No discourtesy is intended by this. Instead, I've focussed on what I think are the key issues. Our rules allow me to do this, and it reflects the informal nature of our service. Where evidence is incomplete, inconclusive, or contradictory, I've decided what is most likely to have happened in light of the available evidence and the wider circumstances."

The agreement in this case is a regulated consumer credit agreement. As such, this service is able to consider complaints relating to it. Mobilize were the supplier of the goods under this agreement and are therefore responsible for a complaint about their quality.

The Consumer Rights Act 2015 (CRA) is of particular relevance to this complaint. It says that under a contract to supply goods, there is an implied term that "the quality of the goods is satisfactory". To be considered satisfactory, the CRA says the goods need to meet the standard that a reasonable person would consider satisfactory, taking into account any description of the goods, the price and other relevant circumstances. The CRA states that the term "quality" includes fitness for purpose, appearance, freedom from minor defects, safety, and durability.

The CRA also says that if goods weren't of satisfactory quality at the date of supply, a consumer can exercise their short-term right to reject goods within thirty days of supply. Under the short-term right to reject, a supplier doesn't have the right to repair or replace the goods and must accept the rejection.

MotoNovo supplied Mr E with a car that was just over five years old and had travelled over 89,000 miles. So, a reasonable person would expect the car might have suffered some wear and tear. But, unless the vehicle was marketed as being faulty, a reasonable person would also expect that they'd be able to drive a car they'd acquired for at least six months before having to carry out any significant repairs.

Mr E says he had problems with the car within days – he said it was cutting out intermittently. I can see he emailed the dealership on 29 January 2024 about the problems and asked to reject the car. And on 5 February 2024 he emailed Mobilize saying "Under the Consumer Rights Act 2015, goods you supply must be of satisfactory quality. As there was a problem with the goods when I bought them, I request that you give me a full refund."

The dealership told Mr E on 2 February 2024 that he needed to provide a diagnostic report. Mr E booked the car in with a main dealer and provided to the dealership a diagnosis dated 7 March 2025. This said the car was intermittently cutting out and taking a long time to start when cold. The report advised replacing the battery and retesting but that a fuel pressure sensor and further testing may be needed. It also noted squeaking from the front suspension and advised stripping and greasing of wishbones and bushes was needed.

Mobilize said they didn't think this diagnosis is satisfactory evidence that the car was cutting out. But they haven't provided their own report on the issues Mr E reported. And the diagnosis goes beyond this – mentioning the suspension as well as the battery and potential fuel pressure issues.

Mobilize provided a report from an inspection carried out before the car was supplied to Mr E, saying this shows the car was of satisfactory quality when supplied. This report says the car passed the inspection and doesn't raise any concerns. But the car was road tested for just seven miles, so I can understand why the issues identified by Mr E might not have been noted in the pre-sale inspection.

The diagnosis dated 7 March 2025 suggests the vehicle wasn't of satisfactory quality when supplied – I don't think a reasonable person would expect this amount of work would be needed on a car within a few weeks of buying it. On balance, I don't think it was sufficiently durable. The dealership later offered to pay for a new battery, but as I've noted above, the customer has the right to reject a car if they notify the supplier of their rejection within 30 days, and the supplier doesn't have the right to repair it first.

There's no requirement within the CRA that the customer must provide proof of the fault within 30 days. Although the diagnosis wasn't carried out until around 45 days after the car was supplied to Mr E, I'm satisfied that's because Mr E initially challenged the need for a diagnosis and then had to wait for an appointment at the main dealer he'd chosen to do the diagnosis.

So, in summary, I'm satisfied Mr E was supplied with a vehicle that wasn't of satisfactory quality, and I'm satisfied he told Mobilize he wanted to reject the car within 30 days.

Putting things right

I've been in touch with Mr E and Mobilize about how best to put things right. Mr E didn't accept Mobilize's offer and has confirmed he is willing to return the car.

So I think Mobilize should end the agreement and collect the vehicle from Mr E at no cost to him. They should also refund his deposit. Mr E's said that although the hire purchase agreement says the deposit was £4,851, he actually paid around £5,400. Looking at the invoice supplied by the dealership to Mr E, I can see he paid an additional £448 for a "peace of mind pack" and protective coating on the vehicle. Mobilize should refund this additional £448 as well as the deposit of £4,851.

Mr E has now had the car for around 18 months. He's provided evidence that it was off the road for over three months from the end of April 2024 to the beginning of August 2024. And his mileage prior to that supports Mr E's statement that he didn't drive the car much before August. I'm satisfied he had very little use of the car for six months. So Mobilize should refund the first six months' payments.

Mr E says he repaired the car in September 2024, with further repairs being needed in January 2025 and February 2025. He thinks Mobilize should refund the cost of all repairs he's had carried out. But I've not seen any evidence that persuades me that Mobilize should be liable for the cost of any repairs beyond what was described on the diagnosis dated 7 March 2024. So I intend to direct Mobilize to cover the cost of repairs paid for by Mr E to the extent they relate to the battery, fuel pressure sensor and front suspension.

Finally, I think Mobilize should compensate Mr E for the distress and inconvenience he's suffered as a result of being supplied with an unsatisfactory vehicle. Mobilize offered £300, which Mr E isn't happy with. He said the matter has had a significant mental and emotional toll on himself and his family. He previously told us he wasn't able to work for several months because he didn't have a car he could use for his tax business. And, he says, he's incurred significant personal debts as he's had to borrow funds to repair the car. Given the length of time this has been ongoing, and the significant impact it's clearly had on Mr E, I'm inclined to agree that £300 isn't enough. Mr E was clear from the outset that he was intending to use the vehicle as a taxi, so I think it was reasonably foreseeable that any faults with the vehicle could have a greater impact on him than for a customer intending to use the vehicle primarily for personal use. I think £400 would be a fairer reflection of the impact the matter has had on him."

Mobilize didn't reply to my provisional decision. Mr E reiterated his request to be refunded all he'd been paid, and provided evidence of a £99 payment as part of his deposit.

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 not making any changes to my provisional decision. Whilst Mr E's sent a screenshot of a £99 payment to the dealership, this payment was factored into my provisional decision. The original invoice for the car, dated 24 January 2024 and supplied by the dealership to Mr E, shows that Mr E was owed £199 by the dealership. I've seen nothing to suggest this wasn't paid to Mr E. And if it wasn't, Mr E should take this up with the dealership.

Mr E made no other substantive comments and so my final decision is as I outlined in my provisional decision.

My final decision

As I've explained above, I'm upholding Mr E's complaint. RCI Financial Services Limited trading as Mobilize Financial Services need to:

- End the agreement with nothing further to pay and collect the car at no cost to Mr E;
- Refund to Mr E his deposit of £4,851 together with the £448 he paid for extras;
- Refund any payments Mr E made between the inception of the agreement and 9 August 2024. If Mr E has any arrears under the agreement, Mobilize are entitled to deduct those arrears from this refund;
- Reimburse Mr E for the repairs he has paid for in relation to:
 - the battery
 - the fuel pressure sensor
 - the front suspension
- Pay Mr E 8% simple interest per year* on all refunded amounts, from the date of payment to the date of settlement;
- Pay Mr E £400 to reflect the distress and inconvenience the unsatisfactory vehicle caused; and
- Arrange to remove from Mr E's credit file any adverse information recorded in relation to the agreement.

*If Mobilize consider tax should be deducted from the interest element of my award they should tell Mr E how much they've taken off. They should also provide Mr E a certificate showing how much they've taken off if he asks for one so that he can reclaim that amount if he is eligible to do so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 28 July 2025.

Clare King
Ombudsman