

The complaint

Mrs K complains about the quality of a car that was supplied through a hire purchase agreement with Volkswagen Financial Services (UK) Limited (VWFS).

What happened

In August 2024, Mrs K acquired a new car through a hire purchase agreement with VWFS. The cash price of the car was £35,784. A deposit of £8,905.19 is listed, which included a part exchanged amount. So, the total amount financed on the agreement was £26,878.81 payable over 48 monthly repayments of £333 followed by a final payment of £14,985.

Mrs K said that in September 2024, she complained to the dealership that her car would cut out when she was using the brakes. She said the issue was intermittent so she didn't know when it would occur. In October 2024, Mrs K brought it into the dealership where they said they were unable to replicate the problem.

Mrs K said the problem worsened and kept repeating, so in November 2024, she called a roadside recovery company to look at the car. The car was taken to the dealership where Mrs K said it remained.

Mrs K said the dealership had tested the car and couldn't find the issue, so they asked her to collect it, but she refused. Mrs K said she had no way of getting to work as the courtesy car provided by the dealership had been taken back.

Mrs K said there was an offer by the dealership to buy the car back, which would leave her nothing further to pay, but she didn't accept it. She said she believed the car was a danger to herself and other road users

VWFS issued their final response in February 2025. In summary it said the dealership confirmed the vehicle had been with them since November 2024 and they'd carried out extensive road tests but haven't been able to replicate the issue. VWFS said they'd arrange for an independent inspection of the car.

The inspection was carried out on 28 February 2025, the report advised road tests covering around 700 miles were carried out, but no faults could be identified by the dealership. The inspection confirmed fault codes were present, and required investigation, but were not related to the issue raised by Mrs K. The inspection report concluded that there were no current engine performance issues with the vehicle

Unhappy with the decision from VWFS, Mrs K brought her complaint to our service where it was passed to one of our Investigators to look into.

In April 2025, Mrs K told the Investigator that she accepted an offer from the dealership to buy the vehicle back for £27,000, although she wanted to continue with her complaint to recover all financial losses.

In May 2025, the Investigator issued their assessment. In summary, it recommended that Mrs K's complaint should not be upheld. The Investigator concluded there was no evidence to show the vehicle was faulty and so considered the car was supplied in a condition that was of satisfactory quality.

Mrs K didn't accept the Investigator's assessment and provided some witness statements detailing experiences of the car cutting out. Mrs K also sent an email explaining that the evidence was in the roadside recovery report which confirmed the nature of the breakdown in November 2024 and that it had to be recovered to the garage.

However, as the Investigator's assessment remained unchanged, Mrs K asked that her complaint be referred to an ombudsman for a final decision.

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.

In considering what is fair and reasonable, I've thought about all the evidence and information provided afresh and the relevant law and regulations, regulators' rules, guidance and standards, codes of practice and (where appropriate) what I consider to have been good industry practice at the relevant time.

Mrs K has made some lengthy submissions as part of her complaint. I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

Mrs K complains about a hire purchase agreement. Entering into consumer credit contracts like this is a regulated activity, so I'm satisfied we can consider Mrs K's complaint about VWFS. VWFS is also the supplier of the goods under this agreement, and is responsible for a complaint about their 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.

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.

Here, the car was acquired new, with a cash price of around £35,784. So, I think it's fair to say that a reasonable person would expect the level of quality to be higher than a second hand, more road-worn car and that it could be used – free from defects – for a considerable period of time.

From the information provided I'm persuaded it's likely there were some issues with the car. This is apparent from the comments on the roadside recovery report which advised the

nature of the breakdown. It said: “CAN BUS CIRCUIT (NETWORK), WIRING FAULT (BROKEN/ SHORT/ OPEN CIRCUIT), NON- REPAIRABLE: ROADSIDE REPAIR NOT FEASIBLE - RECOVERY TO GARAGE”

The inspection report dated in February 2025 also confirms that fault codes were identified. Having considered there were faults with the car, I’ve considered whether it was of satisfactory quality when it was supplied.

satisfactory quality

The breakdown report shows fault codes and that issues were present, but they didn’t provide any other commentary about the causes of those faults. Fault codes in themselves doesn’t mean a vehicle is faulty, so they’d require further investigation. I’m satisfied following the initial breakdown of the car, further investigation was required.

Further investigations were carried out by the dealership. It was confirmed the road tests were extensive, covering around 700 miles, and they confirmed no issues were present. A second independent inspection of the vehicle was carried out which identified some fault codes but didn’t consider they were consistent with the issues reported by Mrs K.

The report advised that all main wiring, earths and fuses appear to be in good serviceable order, despite the initial breakdown report advising that there was a wiring fault.

A further road test was carried out in various scenarios which found the engine and transmission to perform as expected. The report concluded: *“the inspector can confirm there are no current engine performance issues with the vehicle.”*

So all things considered, I’m satisfied that following the initial breakdown where some issues were identified, and which required further investigation, that further extensive investigation and testing took place, by two separate professional bodies, and both have been unable to replicate the fault, and have confirmed the vehicle is performing as it should.

The fault codes identified doesn’t necessarily mean a fault exists, but that further investigation was required to understand the nature of them.

I don’t doubt the experiences Mrs K had in the car, or the testimony of the witnesses, however I’m satisfied from the evidence provided that the car was performing as it should. Mrs K hasn’t provided any further evidence, for example in the form of an independent inspection report which has confirmed the issues she raised was still present with the car. The car is no longer available to inspect so I’ve no evidence that details the faults Mrs K has raised about it.

As I’ve concluded that the car was performing as it should, I’m satisfied it was supplied to Mrs K in a condition that was of satisfactory quality. So, I won’t be asking VWFS to take any further action in respect of this complaint.

My final decision

My final decision is that I don’t uphold Mrs K’s complaint about Volkswagen Financial Services (UK) Limited.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mrs K to accept or reject my decision before 28 October 2025.

Benjamin John

Ombudsman