The complaint

Mr T complains about the quality of a used car that was supplied through a hire agreement with SG Fleet UK Limited (SG).

What happened

In May 2023, Mr T acquired a used car through a hire agreement with SG. The car was about two years old and had travelled 17,000 miles when it was supplied. Mr T was due to make 36 monthly payments of £411.94.

Mr T complained to SG that his car experienced various issues relating to the charging area, and brakes which failed whilst he was driving. This led to his car being off the road for a considerable amount of time. Mr T said this has impacted him financially and has caused a significant amount of inconvenience each day. To resolve things, he'd like to end the agreement and return the car.

In September 2024 SG issued their final response. In summary, it confirmed Mr T raised his complaint in August 2024 and that the battery issue and brake issues were both repaired and covered under the warranty, meaning no cost was incurred by him. It said as the issues were resolved, there was no reason for the car to be returned.

Unhappy with their decision, Mr T brought his complaint to our service where it was passed to one of our Investigators to look into.

Our Investigator recommended that Mr T's complaint should not be upheld. The Investigator concluded that although there were faults with the car, SG had acted fairly by repairing them and covering the costs.

Mr T didn't accept the Investigator's assessment. He said SG demonstrated incompetence in their handling of the situation, their approach towards supporting him changed after he raised his complaint, and they initially offered to terminate the contract which they'd gone back on. Mr T also raised safety concerns where he was asked by SG to drive the car to a garage even though the brakes were faulty.

The Investigator considered Mr T's response however their opinion remained unchanged, so Mr T asked that his 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.

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.

Mr T complains about a hire agreement. Entering into consumer credit contracts like this is a regulated activity, so I'm satisfied we can consider Mr T's complaint about SG. SG 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.

My starting point is that SG supplied Mr T with a used car that had travelled 17,000 miles. With this in mind, I think it's fair to say that a reasonable person would expect the level of quality to be less than that of a brand-new car with lower mileage; and that there may be signs of wear and tear due to its usage. It's likely the rental price would also have been lower to reflect that it was used.

From the information provided I'm satisfied there was a fault with the car's battery and brakes. This is clear from what Mr T has told us and is also confirmed by SG in their response to the complaint. A document showing the works carried out on the car also show repairs were carried out on the brakes. Having considered that both parties are in agreement that the car had faults which were repaired, I don't consider the quality of the car to be in question here. What appears to be in dispute is whether Mr T should be allowed to end the agreement without any charges and whether SG have acted fairly towards him.

In his complaint form Mr T said he felt the fairest resolution to the complaint was to let him exit the agreement without incurring any penalties. Effectively Mr T's ideal solution is to be allowed to reject the car. Under the CRA, where a goods are not of satisfactory quality, unless requested within the first 30 days from supply, SG would be allowed an opportunity to repair the goods.

Mr T requested to hand the car back in his complaint letter in August 2024, over a year after being supplied the car and after having appeared to agree with the repairs that were carried out.

SG have told us that the repairs were successfully carried out and Mr T hasn't disputed this. So, I'm satisfied the repairs to the battery/ charging issue and the brakes were successfully repaired. In the circumstances I'm satisfied that it wouldn't be reasonable to ask SG to facilitate a rejection of the car after it's been repaired. Mr T has also not incurred any costs as a result of the repairs.

Mr T also raised concerns over how SG has handled matters and suggested they changed their approach following his complaint being raised. From the timeline provided by SG, I'm satisfied the repairs were carried out in a reasonable timescale. I've also seen no evidence that SG had acted inappropriately or in a particularly poor way towards Mr T, So I'm not persuaded that they treated Mr T unfairly.

Mr T also said SG initially agreed to a termination of the car. Mr T hasn't provided us with any evidence of this, however even had he done so, from the information provided I'm satisfied that SG have acted fairly and in line with what was expected from them under the CRA. And so, as I've concluded that SG have acted fairly, I won't be asking them to do anything in relation to this complaint.

My final decision

My final decision is that I don't uphold Mr T's complaint about SG Fleet UK Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 18 August 2025.

Benjamin John
Ombudsman