

The complaint

Mr A has complained that he is unhappy with the quality of a car he acquired in May 2024, using a hire purchase agreement with Toyota Financial Services (UK) PLC ("TFS").

What happened

Mr A acquired a used Audi in May 2024, using a hire-purchase agreement with TFS. The car cost £26,652, of which Mr A borrowed £25,652 over 60 months, with monthly repayments of £526.98. The car was around three and a half years old at the time and the mileage stated on the invoice was 51,891.

Mr A contacted TFS the following month to say that there were faults with the car. He said the following issues had arisen.

- An aftermarket interior mirror was on the vehicle.
- A headlight washer fault.
- A fuel tank issue, in that, when refuelling, it was slow and made a clicking noise.

Mr A has said further issues have since arisen with the exhaust and air conditioning. He also said that a local branch of the supplying dealership authorised him to take the car to a local Audi garage for diagnostic checks, but the supplying dealership refused to pay for them.

The supplying dealership offered to inspect the car and repair it, but Mr A wasn't happy with this. He said it was a 100-mile round trip, which he didn't have time to make, and he was unhappy that the dealership couldn't offer a like-for-like courtesy car. Neither did he want to reject the car, which the dealership said it would've accepted. Mr A wanted to take the car to the local Audi dealership for repair instead.

TFS issued its final response letter to Mr A in August 2024, saying it partially upheld Mr A's complaint. TFS confirmed the supplying dealership were happy to complete the repairs, or the car could be rejected.

Following this, Mr A contacted the dealership about the repairs. It noted Mr A had added the exhaust and air conditioning faults to the complaint and confirmed Mr A would need to cover the cost of diagnostics for those. Mr A has since sent in copies of garage reports indicating the problems with the exhaust, and confirming the air conditioning fault, damage to the bumper and loose under tray.

In the meantime, Mr A had brought his complaint to this service. Our investigator looked into it, and thought that TFS had acted fairly in dealing with the complaint and offering a resolution. So he didn't think the complaint should be upheld.

After this, there were further discussions about how to resolve the complaint, but the parties couldn't agree. So the complaint has come to me for review.

I issued a provisional decision in which I explained that I thought TFS's offer to resolve the complaint was fair, and therefore that I didn't propose to uphold the complaint. Mr A responded with a number of further comments which I've set out below. TFS responded to say it didn't have anything to add.

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.

I've decided not to uphold this complaint. I'll explain why.

I set out my reasoning in my provisional decision as follows:

"I've taken account of the relevant law, including the Consumer Rights Act 2015, ("CRA"). Because TFS supplied the car under a hire-purchase agreement, it's responsible for a complaint about the quality, and there's an implied term that the car was of satisfactory quality. Cars are of satisfactory quality if they are of a standard that a reasonable person would expect, taking into account all of the relevant circumstances. When considering satisfactory quality here, I also need to look at whether the car is durable – that is, the components within the car must be durable and last a reasonable amount of time.

There are certain times, set out in the CRA, when a consumer is entitled to reject goods, in this case the car, if they don't conform to contract – a short term right to reject within 30 days of taking delivery, or a final right to reject if a repair or replacement hasn't resulted in the car subsequently conforming – that is, it then being of satisfactory quality.

In this case, the car was around three and a half years old, with a mileage of 51,891, when Mr A acquired it. And the price was lower than that of a new car. So it's reasonable to expect that parts of the car would have suffered wear and tear, and that a car of this age would likely need repair and maintenance sooner than a newer car.

Mr A sent in copies of garage reports for the car. TFS sent in copies of the sales documents and notes of its contact with Mr A.

From the evidence I have, it's clear that there are some faults with the car. TFS has accepted this, so I don't need to consider this aspect of the complaint further. It is the resolution of the complaint that is at issue, as the parties cannot agree on a course of action.

There have been offers and counter offers about what would be acceptable to both parties. I have read and considered the various exchanges of correspondence on this point, but I think it helpful to set out the current position.

Firstly, TFS no longer agrees that rejection of the car would be reasonable at this stage. It says it has not had the opportunity to attempt repairs, and Mr A has had use of the car for several months since it issued its final response.

Having considered this point, I agree that at this stage, it would not be fair to require TFS to accept the car being rejected. Whilst repairs are clearly needed, they do not seem to have affected Mr A's usage of the car, and I note from public records that the car passed an MOT test with no advisories in April of this year. Had I needed to consider the quality of the car, I think it most likely that I would've concluded that TFS should have an opportunity to repair the car, and this it has agreed to do.

Turning to the repairs themselves, there seems to be no dispute that they are required, and that the selling dealership has agreed to carry them out. The repairs are those items originally identified to TFS. And if they need attention from Audi, this will be organised by the dealership.

The remaining point at issue is the provision of a courtesy car and the means by which Mr A can get this while the car is in for repair. Mr A wants a like-for-like courtesy car, and for this to be delivered to him and his car collected for repair.

TFS says it is happy to arrange a courtesy car that is an automatic, to minimise the inconvenience to Mr A. But it can't guarantee that the car will be like-for-like, and as there is paperwork to complete that must be done on site, it cannot deliver the courtesy car to Mr A. However, TFS has said that the courtesy car can be collected when Mr A drops off the car for repair (and vice versa when the repairs are complete). Additionally, TFS has offered to make a goodwill payment of £50 to Mr A, and also to refund 10% of his monthly payment for the period that the car is in for repair.

I accept that this offer is not Mr A's ideal solution. But I consider it fair and in line with the parameters of the CRA. I say this because I don't think TFS could reasonably guarantee a like-for-like courtesy car to be available, and I accept that there will be documentation to be completed for the provision of the courtesy car. I think TFS has attempted to minimise the inconvenience to Mr A as far as it is able, and has offered a reasonable goodwill payment in recognition of the inconvenience that can't realistically be avoided.

Overall, I consider that TFS has acted reasonably here, and I can't fairly require it to do more. Therefore I do not propose to uphold Mr A's complaint."

As I noted above, TFS said it didn't have anything further to add. Mr A sent in a list of the repairs required to the car, but this was not dated, and it gave no details about when the faults may have arisen.

In summary, Mr A said that the air conditioning issue had occurred just after he acquired the car. He further said that the courtesy car offered had to be automatic and ideally like-for-like. And he asked that the courtesy car be delivered to him and his own car repaired locally. He also didn't think the goodwill payment of £50 was sufficient. He further said that he had taken out an extended warranty so thought the repairs ought to be covered by that.

I've thought about what Mr A has said. However, it seems that he has largely reiterated his previous views. With regard to the air conditioning issue, this was not one of the faults he originally complained about to TDS, and I've no evidence to say that it was present or developing when the car was supplied. It also seems that Mr A hasn't taken account of all of the aspects of TFS's offer to resolve the complaint.

TFS said that:

- the selling dealership has agreed to deal with the repairs originally complained about, these being:
 - the aftermarket interior mirror;
 - the headlight washer fault;
 - the fuel tank issue, in that, when refuelling, it was slow and made a clicking noise;
- if the repairs need attention from Audi, the dealership will arrange this;

- TFS will arrange a courtesy car that is an automatic, but it can't guarantee that the car will be like-for-like as this will depend on availability, and as there is paperwork to complete that must be done on site, it cannot deliver the courtesy car to Mr A. However, TFS has said that the courtesy car can be collected when Mr A drops off the car for repair (and vice versa when the repairs are complete).
- TFS will make a goodwill payment of £50 to Mr A, and also refund 10% of his monthly payment for the period that the car is in for repair.

It may be that any additional repairs might be covered under the extended warranty, and I would expect TFS to confirm to Mr A (after consultation with the dealership if necessary) whether this is the case. But as I don't have evidence to say that the additional faults were present at the point of supply, I cannot fairly say that TFS should cover the cost of those repairs if the warranty does not.

Having carefully considered Mr A's comments, I'm not satisfied that they are enough to change the conclusions I set out in my provisional decision. I remain of the view that TFS has acted reasonably in its offer to resolve the complaint as I've set out above, and therefore I can't fairly require it to do more. So I've decided not to uphold Mr A's complaint.

My final decision

For the reasons given above, I have decided not to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 9 October 2025.

Jan Ferrari
Ombudsman