

## **The complaint**

Mrs S complains about a recall for a car that was supplied to her under a hire purchase agreement with FCE Bank plc, trading as Ford Credit, and the service that she received from the dealer.

## **What happened**

A new car was supplied to Mrs S under a hire purchase agreement with Ford Credit that she electronically signed in March 2024. The price of the car was £55,798.86, Mrs S paid a deposit of £11,000 and she agreed to make 26 monthly payments of £539.61 and an optional final payment of £29,769 to Ford Credit.

Mrs S says that the car had a warning light about an issue with the airbags which started in July 2024 and she received a recall notice about an issue with the car in November 2024. She says that she tried to arrange the recall work with the dealer but she says that it told her that it was unable to assist. She complained to Ford Credit in November 2024 and asked it to ensure that she was able to receive the required update for her car. Ford Credit hadn't responded to her complaint so Mrs S complained to this service in January 2025.

Ford Credit then said that it had spoken with the dealer and it said that the dealer was unable to confirm any bookings or cancellations for Mrs S's car but that the dealer would be contacting her to book the car in. Mrs S says that the car was repaired in February 2025 but the warning light came back on so she complained to Ford Credit about the issues with the car in March 2025. The car was repaired again in April 2025.

Mrs S's complaint was then looked at by one of this service's investigators who, having considered everything, didn't think that Ford Credit had acted fairly. She said that it seemed likely that there was a fault with the car which required repair and she didn't think that the car was of satisfactory quality when Ford Credit supplied it to Mrs S. She recommended that Ford Credit should: refund 5% of the payments made from 26 July 2024 to 11 April 2025 to reflect the impaired use of the car, with interest; pay £200 for any distress or inconvenience that's been caused; and remove any adverse information from Mrs S's credit file in relation to the agreement.

Ford Credit didn't accept the investigator's recommendation and has asked for this complaint to be considered by an ombudsman. It says that Mrs S's initial complaint wasn't in relation to the recall but was about the service received from the dealer, and it assisted with her complaint correctly, and the recall was from the manufacturer and Ford Credit isn't responsible for recalls. It says that it doesn't believe that the outcome is fair as it's based on something that it hasn't investigated.

## **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.

Ford Credit, as the supplier of the car, was responsible for ensuring that it was of satisfactory quality when it was supplied to Mrs S. Whether or not it was of satisfactory quality at that time will depend on a number of factors, including the age and mileage of the car and the price that was paid for it. The car that was supplied to Mrs S was a new car and I consider that it was reasonable for her to expect that it would be free from even minor defects.

Mrs S says that the car had a warning light about an issue with the airbags and the restraint indicator warning light which started in July 2024 and that she received a recall notice from the manufacturer in November 2024. Mrs S hasn't provided a copy of the recall notice but Ford Credit has provided two service instructions from October and December 2024 about the driver's seatbelt buckle, and the December 2024 service instruction says: "... vehicles will show an 'Airbag Warning' light illumination due to an Open Circuit on the driver seat belt buckle".

She complained to Ford Credit and said that she wanted it to ensure that she was able to receive the required update and any other necessary repairs for her car. Ford Credit says that a repair was then arranged with the dealer and that Mrs S's complaint was about the service received from the dealer. Ford Credit has provided an internal email about Mrs S's complaint which says: *"Majority of it is poor customer service from the dealer however there is an aspect of a merch issue we need to look at"*. The outcome that Mrs S was looking for was for her car to be repaired so I consider that her complaint did include a complaint about the issues with the car. Even if I wrong about that, Mrs S complained to Ford Credit in March 2025 about the issues with the car and I can't see that it has responded to that complaint. Ford Credit isn't responsible for any service issues that Mrs S had with the dealer, so I've made no finding in this decision on Mrs S's complaint about the service that she received from the dealer.

I consider that the issues that Mrs S has experienced with the car show that there was a fault with it. The fault was repaired in April 2025 which dealt with that issue. Mrs S says that the fault reoccurred but she confirmed earlier this month that it had been resolved. The car that was supplied to Mrs S was a new car and I consider that the fault with the car caused it not to have been of satisfactory quality when it was supplied to her. I find that it would be fair and reasonable in these circumstances for Ford Credit to take the actions described below to put things right.

### **Putting things right**

Mrs S has described the impact that the safety recall had on her use of the car. The invoice for the April 2025 repair shows that the car's mileage at that time was 10,648 miles so it's clear that Mrs S was able to use the car. I considered that Mrs S's use and enjoyment of the car will have been impacted by the fault from when the fault started in July 2024 until it was repaired in April 2025. The investigator recommended that Ford Credit should refund 5% of the payments made from 26 July 2024 to 11 April 2025 to reflect that impaired use, with interest. I consider a 5% refund of the monthly payments that Mrs S had made under the hire purchase agreement for the period from 26 July 2024 to 11 April 2025 to be fair and reasonable compensation in these circumstances for the impact of the faults on Mrs S's use and enjoyment of the car. I also consider that Ford Credit should pay interest on the amounts to be refunded.

These events will have caused distress and inconvenience for Mrs S. I find that it would also be fair and reasonable for Ford Credit to pay £200 to Mrs S to compensate her for that distress and inconvenience. The investigator said that Ford Credit should remove any adverse information from Mrs S's credit file in relation to the agreement. I've seen no evidence to show that Ford Credit has reported any adverse information about the hire purchase agreement to the credit reference agencies but, if it has done so, I agree that it

should be removed from Mrs S's credit file.

### **My final decision**

My decision is that I uphold Mrs S's complaint and I order FCE Bank plc, trading as Ford Credit, to:

1. Refund to Mrs S 5% of the monthly payments that she's made under the hire purchase agreement for the period from 26 July 2024 to 11 April 2025.
2. Pay interest on the amounts to be refunded at an annual rate of 8% simple from the date of each payment to the date of settlement.
3. Ensure that any adverse information about the hire purchase agreement that it's reported to the credit reference agencies is removed from Mrs S's credit file.
4. Pay £200 to Mrs S to compensate her for the distress and inconvenience that she's been caused.

HM Revenue & Customs requires Ford Credit to deduct tax from the interest payment referred to above. Ford Credit must give Mrs S a certificate showing how much tax it's deducted if she asks it for one.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 7 October 2025.

Jarrold Hastings  
**Ombudsman**