

The complaint

Mr C complains that a car supplied under a hire agreement with Volkswagen Financial Services (UK) Limited trading as Skoda Financial Services ("SFS") wasn't of satisfactory quality when it was supplied to him.

What happened

Both parties are familiar with the background of this complaint so I will only summarise what happened briefly here.

In December 2024, Mr C entered into a hire agreement with SFS to hire a new car. The agreement was for 24 months, and the car was supplied by a manufacturer-approved dealership (J).

In March 2025, Mr C got in touch with J and told them the suspension felt hard on the car. J sent a technician out to Mr C, and he found that the suspension blockers had been left fitted to the car when it had been delivered. J arranged for them to be removed and tested the car to ensure no damage had occurred as a result of this.

Mr C complained to SFS as he had lost faith with J, and he wanted to reject the car. He was unhappy that he'd been provided with a car that could be unsafe, and that the pre-delivery inspection (PDI) report confirmed the suspension blockers had been removed. He was concerned as to what could have happened while he'd been driving the car for three months. He also said the courtesy car he'd been provided with had been in a poor condition.

SFS upheld Mr C's complaint. They accepted the suspension blockers had been left on the car in error but said that the problem had now been rectified. They apologised for the condition of the courtesy car, and offered Mr C £150 compensation, which he declined.

Mr C brought his complaint to our service. Our investigator said he agreed that the car had been supplied in an unsatisfactory condition, but the report provided now confirmed the car had been returned to a satisfactory condition. He said that SFS's offer of compensation was fair in the circumstances.

Mr C didn't agree and continued to say he wanted to reject the car. He said that he had lost faith with J and was apprehensive to use the car because of what happened when it was supplied.

As Mr C didn't accept, the complaint has been passed to me to decide.

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.

When considering what is fair and reasonable, I'm required to take into account: relevant law and regulations, relevant regulatory rules, guidance and standards and codes of practice.

I've read and considered the evidence submitted by both parties, but I'll focus my comments on what I think is relevant. If I don't comment on a specific point, it isn't because I haven't considered it, but because I don't think I need to comment in order to reach what I think is the right outcome. This is not intended as a discourtesy but reflects the informal nature of this service in resolving disputes.

I think it's worth starting by explaining that I'm looking at SFS's responsibility here as the finance provider for the car. Mr C has voiced concerns about J and has been engaged in conversation with them post-sale – but J weren't acting as agents of SFS, and SFS can't be held responsible for anything J have said or done post-sale.

As the hire agreement entered by Mr C is a regulated consumer credit agreement this service is able to consider complaints relating to it. SFS are also the supplier of the goods under this agreement and are responsible for a complaint about their quality.

The Consumer Rights Act 2015 (CRA) also covers agreements like the one Mr C entered. Because SFS supplied the car under a hire agreement, there's an implied term that it is of satisfactory quality at the point of supply. Cars are of satisfactory quality if they are of a standard that a reasonable person would find acceptable, taking into account factors such as, amongst other things, the age and mileage of the car.

The CRA also says that the quality of goods includes their general state and condition, and other things like their fitness for purpose, appearance and finish, freedom from minor defects and safety can be aspects of the quality of the goods.

Satisfactory quality also covers durability. For cars, this means the components must last a reasonable amount of time. Of course, durability will depend on various factors. In Mr C's case, the car was brand-new so it should be expected to be free from faults for a significant period of time.

Our investigator has explained that he thinks the car was of unsatisfactory quality when it was supplied to Mr C. I agree in this case. Whilst I think it can be argued as to whether the car was supplied with a fault, there is no doubt that the car wasn't in a satisfactory condition when it was supplied. SFS don't dispute that either. But, from what I've seen, I'm also persuaded that the car has now been brought back to a satisfactory condition, and the offer SFS made to Mr C is a reasonable one. I'll explain why.

Mr C made SFS aware of his concerns with the suspension in March 2025, three months after he'd been supplied with it. So, I need to consider if SFS have done what I'd expect them to have done, once they were aware there were problems with the car. As this was within six months since Mr C had been supplied with the car, it was for SFS to show the car was of satisfactory quality.

The CRA allows for one opportunity for a repair to take place. Ordinarily, Mr C should have contacted SFS when he became aware of the problem with the suspension, as they are the supplier of the car under this agreement, and they would have had the opportunity to consider their options. However, in this case I think it's more likely than not that SFS would have asked Mr C to get in touch with J and ask them to undertake any repairs. So, I'm satisfied he hasn't prejudiced SFS's position by speaking to J and having the suspension blockers removed before getting in touch with SFS.

J have provided a report that explains the suspension blockers had been left on the car in error when it had been delivered to Mr C, but they had now been removed and the car had been tested to ensure no damage had occurred. Mr C's main argument seems to be that he

questions the validity of this report, because of J's error in leaving the suspension blockers on in the first place, and he's lost faith with them. I appreciate why he might feel this way, but he hasn't provided anything to show that the car has suffered any damage as a result of the suspension blockers not being removed at the point of supply – so, from what I've been provided with, I'm more persuaded that the removal of the blockers has been successful, and the car is now of satisfactory quality. As such, I'm not persuaded that Mr C should be able to reject the car.

Mr C has also said that the incorrect completion of the PDI is negligent and left him with an unsafe car to drive for three months. I don't think it's in dispute that errors were made in the supply of the car – SFS have accepted that. Mr C has said that he could have caused, or been in an accident, with his family in the car. I understand Mr C's worry, but the key point here is I am only considering what has happened – I'm not considering what could have happened. Thankfully, Mr C and his family haven't been caused any harm by the car being in an unsatisfactory condition when it was supplied to him.

Mr C has also questioned the condition of the courtesy car he was given. There isn't anything contained in the hire agreement from SFS that confirms they will provide a courtesy car, so it seems this was something J decided to arrange. As the courtesy car was provided after Mr C entered the agreement, it isn't something that I can consider against SFS, although I note they have apologised to Mr C for the condition of it.

It isn't my role to punish the business. It's to make a quick and informal decision based on the facts of the case. Here, SFS have offered Mr C £150 to recognise the upset caused to him by being supplied with a car of unsatisfactory quality, which he has declined. No amount of money can change what's happened, and it was clearly a worrying time for Mr C, but I'm satisfied the offer made by SFS to him is reasonable in the circumstances.

I'd remind Mr C that he's able to reject this decision if he thinks he can achieve a better outcome by alternative means, such as through the courts.

My final decision

Volkswagen Financial Services (UK) Limited trading as Skoda Financial Services have already made an offer to settle the complaint and I think this offer is fair in the circumstances.

So, my decision is that Volkswagen Financial Services (UK) Limited trading as Skoda Financial Services must:

- Pay Mr C £150 compensation to reflect the upset caused to him by being supplied with a car of unsatisfactory quality.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 2 December 2025.

Kevin Parmenter
Ombudsman