DRN-5712224

The complaint

Mr R is unhappy with the quality of a car financed using a hire purchase agreement by Volkswagen Financial Services (UK) Limited.

What happened

In May 2024, Mr R entered into a hire purchase agreement with Volkswagen for a brand new car. The cash price was £73,603.

The car was delivered in June. Mr R says shortly after, he experienced a loss of power on a roundabout.

In August, Mr R experienced loss of power again which led to an accident. He says that neither incident was a result of driver error, and this has been confirmed by dash cam footage and diagnostic testing. He says the third party who crashed into the back of him said there was no hazard or brake lights before the car stopped.

Mr R's car was fixed through the insurance of the vehicle that crashed into him. The car was also treated as a 'product and safety' case by the car's manufacturer. The report from them concluded that there was no technical defect with the system, the data showed no system errors, and the car was calibrated correctly.

Mr R lost faith in the car and didn't believe it was safe to drive.

Volkswagen issued a final response letter in December. They said that as there was no verified technical malfunction, they wouldn't allow Mr R to reject the car.

Unhappy with what had happened and how he had been treated by Volkswagen, Mr R brought his complaint to our service.

As part of the investigations, Mr R paid for an independent report to be carried out. The report identified two diagnostic codes but these weren't related to the car's loss of power. The report said that while the car seemed to be underpowered, it was performing within the expected parameters.

The manufacturer investigated and fixed the fault codes found on the independent report.

An investigator considered everything and issued a view on the case. She wasn't persuaded the car was of unsatisfactory quality when it was supplied.

Mr R disagreed and asked for an Ombudsman to review the case, so it has been passed to me for a 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.

Mr R acquired his car using a hire purchase agreement and so The Consumer Rights Act 2015 ("CRA") is relevant legislation for this complaint. The CRA sets out expectations and requirements around the quality of goods supplied. In summary, goods should be of satisfactory quality. Section 9 of the CRA says that goods are of satisfactory quality if they meet the standard that a reasonable person would consider satisfactory. When considering the quality of a car, the age, mileage and price are things that need to be taken into account.

I've carefully considered the reports, and all the information Mr R has supplied, including the dash cam footage. In doing so, I'm unable to fairly say that there is a fault with Mr R's vehicle.

The report from Volkswagen said there was no technical defect with the system, the data showed there was no system errors, and the car had the correct calibration. It also said there was no recorded brake activation within the front assist, so it concluded that front assist was not responsible for the braking of the vehicle. They also said there were no events recorded within the vehicle drive systems such as the engine that could account for the sudden deceleration of the vehicle.

I then considered the findings of the independent report. After doing so, it didn't persuade me that the manufacturers testing and conclusions were wrong. This is because it also couldn't find any reason or faults to suggest why the car would experience sudden loss of power. The two diagnostic faults the report did identify weren't related to loss of power and the manufacturer has since fixed them.

And so, based on the evidence I have seen, I don't think a reasonable person would say the car is of unsatisfactory quality bearing in mind the CRA.

I know Mr R is disappointed and frustrated with Volkswagen's investigations. I understand why he felt it was important that they reviewed the dashcam footage and that their decision was rushed. Ultimately though, I can't say the way they investigated the case meant they came to the incorrect outcome.

I know this will come as a disappointment to Mr R, but I can't say, bearing in mind the relevant laws and the evidence I have seen, that Volkswagen has acted unfairly here.

My final decision

My final decision is that I don't uphold this complaint for the reasons set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 13 October 2025.

Ami Bains
Ombudsman