

The complaint

Mr O complains about the quality of a car he acquired under a conditional sale agreement with Volvo Car Financial Services UK Limited (UK) PLC (VF).

When I refer to what Mr O and VF have said and/or done, it should also be taken to include things said and/or done on their behalf.

What happened

In October 2023, Mr O entered into a conditional sale agreement with VF to acquire a new car first registered/manufactured in August 2023. The cash price of the car was around £40,040. There was an advance payment of around £20,300. The total amount payable was approximately £40,040. There were 48 repayments of around £411.

Mr O said that he contacted VF to formally register a complaint in July 2024, because the car he acquired produced a horrible scrapping/screeching noise when the brakes were applied. Mr O said he started to experience the noise issue with the car 10 minutes after he had taken delivery. He said that he had driven a courtesy car, same model as his, and that car did not produce the same noises as his, but it did produce one barely discernible squeak. Mr O also said that he has a friend with the same car as his and he has never had any problems with noises or squeaks.

Mr O said the car went in for an assessment to a dealership in December 2023. Upon inspection, it was reported to him that they had identified a fault and Mr O was reassured that the manufacturer would find a fix for the fault soon in the new year. Mr O said that the manufacturer of the car tried to fix the fault but failed, and it was only then that they deemed the fault to be a characteristic of the car.

Mr O said the noise is an unpleasant and disturbing scraping noise. He said he fully accepts that it does not affect the running of the car, but he sees it as an unexpected failure in design and he is surprised that the manufacturer will not acknowledge this.

In February 2025, VF wrote to Mr O stating the manufacturer of the car deems the noise from the brakes to be a characteristic of the car. They elaborated that the squealing sound can occur when starting the engine by depressing the brake pedal, and that this sound does not affect the car's functionality or performance. So VF have said, that they are unable to uphold Mr O's complaint, but they also said that it has been agreed to grant Mr O £100 compensation for distress and inconvenience caused during the complaint.

Mr O remained unhappy, so he referred his complaint to the Financial Ombudsman Service (Financial Ombudsman). He also said that the reason VF offered to pay him £100 was because of the appalling way in which they had handled his complaint between October 2024 and January 2025. As a resolution to his complaint, Mr O would like the car to either be repaired or replaced with one which does not have the fault.

Our investigator considered Mr O's complaint, but the investigator did not think the car had a fault that would render it of unsatisfactory quality.

Mr O disagreed with the investigator. So, 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.

Where evidence is unclear or in dispute, I reach my findings on the balance of probabilities – which is to say, what I consider most likely to have happened based on the evidence available and the surrounding circumstances.

In considering what is fair and reasonable, I need to take into account the relevant rules, guidance, the law and, where appropriate, what would be considered good industry practice at the relevant time. Mr O acquired the car under a conditional sale agreement, which is a regulated consumer credit agreement. Our service can look at these sorts of agreements. VF is the supplier of goods under this type of agreement and is responsible for dealing with complaints about their quality.

I have summarised this complaint very briefly, in less detail than has been provided, and largely in my own words. No discourtesy is intended by this. If there is something I have not mentioned I have not ignored it. I have not commented on every individual detail. But I have focussed on those that are central to me reaching, what I think is, the right outcome. This reflects the informal nature of the Financial Ombudsman as a free alternative to the courts.

The Consumer Rights Act 2015 (CRA) covers agreements such as the one Mr O entered into. Under this agreement, there is an implied term that the goods supplied will be of satisfactory quality. The CRA says that goods will be considered of satisfactory quality where they meet the standard that a reasonable person would consider satisfactory – taking into account the description of the goods, the price paid, and other relevant circumstances. I think in this case those relevant circumstances include, but are not limited to, the age and mileage of the car and the cash price. The CRA says the quality of the goods includes their general state and condition, as well as other things like their fitness for purpose, appearance and finish, freedom from minor defects, safety, and durability.

In Mr O's case the car was brand new, with a cash price of approximately £40,040. So, I think a reasonable person would expect it to be of a higher quality than a cheaper and/or previously used car. I think it would also be reasonable to expect the car to last a considerable period of time before any problems occurred, and it would be reasonable to expect it to be free from even minor defects shortly after it was acquired.

In summary, Mr O feels the noise in question is unpleasant and disturbing. He said he fully accepts that it does not affect the running of the car, but he sees it as an unexpected failure in design and he feels the car should either be repaired or replaced with one which does not have the fault.

Mr O said the dealership told him that the noise in his car is not typical of the model, and it is very much the exception with odd cars exhibiting a noise, but most do not. Mr O said they also told him that the level of noise in his car is beyond what is normal among the tiny minority of cars that have the problem. As such, he said his car is an exception.

So, I have considered everything Mr O has told us and provided to decide if it would be fair and reasonable for Mr O to exercise his right to a repair, replacement or rejection of the car.

The CRA sets out that Mr O has a short term right to reject the car within the first 30 days, if the car is of unsatisfactory quality, not fit for purpose, or not as described, and he would need to ask for the rejection within that time. Mr O would not be able to retrospectively exercise his short term right of rejection at a later date.

The CRA does say that Mr O would be entitled to still return the car after the first 30 days, if the car acquired was not of satisfactory quality, not fit for purpose, or not as described, but he would not have the right to reject the car until he has exercised his right to a repair first – this is called his final right to reject. This would be available to him if that repair had not been successful.

First, I considered if there were faults with the car.

Mr O has provided videos with audio of the noise he is experiencing while driving. VF have also provided videos with audio clips of other cars that make the same noise. Having considered these videos with audio from VF and the description of the characteristic, it matches one of the videos and audio recordings provided by Mr O.

VF have also provided an explanation of the noise that is present. VF have said that, under certain conditions, the car can engage a freewheeling function with the engine switched on. They said this feature is available at speeds between 27 mph and 80 mph when the accelerator is released. When activated, the engine shuts down, allowing the car to roll freely, which helps to reduce fuel consumption and emissions. They also said that in this freewheeling mode, the engine may automatically restart in specific situations, such as when the brake pedal is pressed. During these conditions, a faint, high-pitched noise may be heard from the transmission. This sound results from a hydraulic pressure buildup that engages an internal clutch within the gearbox to smoothly restart the engine while the car is in motion.

VF explained that software updates have been implemented to minimize the occurrence of this noise. However, it is not possible to eliminate it entirely. The noise is subtle, only occurs under specific conditions, and is characteristic of the engine and transmission combination used in models equipped with the SIDIS function. They elaborated further, that it does not indicate any malfunction and poses no risk to the driveline or other components. So they said, it should be regarded as normal operational sound.

VF explanation does not seem unreasonable and, combined with the audios and videos of few other cars, persuades me that, on balance, the noise that Mr O is experiencing in his car relates to a characteristic of this type of car rather than a fault. When coming to this conclusion I have also considered that I have not seen enough evidence to be able to say that, most likely, there is a fault with the car that would render it of unsatisfactory quality. I've not been given any reports or any other independent inspection(s), which would state that there is a fault with the car, one that was present or developing at the point of acquisition. Also, I have not seen enough evidence to allow me to conclude that, most likely, the car was not durable or not as described. So based on the available evidence, I do not have enough to say that, most likely, the car is faulty, and/or not durable, and /or not as described which would render it of unsatisfactory quality.

While I sympathise with Mr O for the difficulties that he is experiencing, based on all the information currently available in this case, I do not think there is sufficient evidence to say that, most likely, VF should take any further action relating to this complaint.

My final decision

For the reasons given above I do not uphold this complaint.

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

Mike Kozbial
Ombudsman