

The complaint

Mr O has complained that a car he acquired on finance from Mercedes-Benz Financial Services UK Limited ('MBFS') wasn't of satisfactory quality, and that this wasn't handled properly.

What happened

On 15 December 2023, Mr O entered into a finance agreement with MBFS for a used car. Unfortunately, ten months later, the roof began to leak. Accordingly, he took the car to the dealership, but was told he'd need to pay for an inspection. Unhappy with this, he complained to MBFS.

Mr O explained that it emerged that the A-pillar was blocked, leading to leakage into the engine, under the car, and through the sunroof. He believes this indicates either a design flaw, or poor maintenance prior to the car being supplied to him. To support this, he's provided images, a video, and online forum reviews.

Mr O explained that the dealership initially asked him to pay around £5,400 for the repairs, but later reduced this to £2,600. But when he declined, the dealership covered the full repair cost itself.

However, Mr O wants to reject the car, as he feels it isn't of satisfactory quality. He believes it had an inherent defect at the point of supply, and will continue to be problematic in the future. He also fears for his family's safety.

MBFS didn't agree to the rejection of the car, as it said the fault wasn't inherent. However, it did offer Mr O £802.42, which was equivalent to two monthly repayments, in recognition of the fact he wasn't kept mobile until the repairs were completed. As Mr O didn't agree with this resolution, he referred his complaint to our service.

One of our investigators looked into what had happened. He noted that the car was four years and seven months old and had over 14,000 miles on the clock at the point of supply. And the price of the car was lower than it would have been if it had been supplied new. So, it would be fair to say that a reasonable person would expect that parts of the car might have already suffered wear and tear. And there's a greater risk this car might need repair and/or maintenance sooner than a car which wasn't as road-worn when it was supplied.

Our investigator thought it likely there was a fault with the car, and that doesn't seem to be in dispute. But just because something has gone wrong doesn't always mean the goods were not of satisfactory quality at the point they were supplied. And, as Mr O had the car for more than six months before the fault presented, the onus was on him to show it was present, or developing, at the point of supply.

Mr O feels it's clear this was the case. He said that when the car was stripped down to investigate the leakage and extent of water damage, the dealership told him it was surprised how long it took him to realise there was a leak issue, due to the extent of water in the engine, roof and underneath the car's interior. Further, he feels that the blocked drains

within the A-pillar indicate a design flaw, and he's provided copies of forum reviews about this.

Our investigator explained he needed to rely on the specific evidence of this case. And, having done so, he didn't feel there was enough evidence, on balance, that the car was of unsatisfactory quality at the point of supply.

Mr O disagreed. His representative, on his behalf, said in summary that:

- just ten months after supply of the car, Mr O reported a serious water-ingress defect. This case does not concern routine wear and tear. It involves a fundamental defect in a premium vehicle; and
- even if the ombudsman is not satisfied that the defect was inherent at the point of supply, MBFS has clearly breached section 23 of the Consumer Rights Act 2015 (the 'CRA'). Under section 23(2)(a), the repair must be carried out "within a reasonable time and without significant inconvenience to the consumer", and the trader must bear any necessary costs. The CRA does not require the consumer to prove that the defect was inherent in order to engage the trader's duties under section 23. Once a defect is reported at any time within the statutory limitation period, the trader is bound to provide a remedy.

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.

Having done so, I'm not upholding it. I know this will be very disappointing for Mr O, but I'll explain why.

It's clear to me that after ten months of Mr O having what was a used car, there was a leak. But, as Mr O had the car for over six months, he needs to show the issue was present, or developing, at the point of supply. That evidence simply hasn't been provided. I've seen nothing to show this wasn't wear and tear, commensurate with the age and mileage of the car. There is nothing to show any evidence of a prior leak. I appreciate that Mr O says a staff member commented, but there's no evidence of this, and it is subjective. The same applies to forum comments. All evidence I have - MOT and vehicle health check, plus the car not having issues for ten months – shows, on balance, it was of satisfactory quality at the point of supply.

I turn now to the legislation that Mr O's representative has relied upon, which is the CRA. The CRA section 23 sets out a consumer's right to the repair or replacement of goods. It states (my emphasis added):

Right to repair or replacement

(1) This section applies if the consumer has the right to repair or replacement (see section 19(3) and (4)).

(2) If the consumer requires the trader to repair or replace the goods, the trader must

(a) do so within a reasonable time and without significant inconvenience to the consumer, and

(b) bear any necessary costs incurred in doing so (including in particular the cost of any labour, materials or postage).

However, this only applies where there is a right to repair or replacement, as set out in section 19. This explains that goods must conform to contract/be of satisfactory quality.

Here, I am satisfied, on balance, that the car was of satisfactory quality at the point of supply. So, section 23 is not engaged. Accordingly, there was no onus on MBFS to repair or replace the car – and that remains the case, as the section simply didn't 'bite'. That said, I'm aware the car has been repaired, at no cost to Mr O. And he's received a refund of two months' repayments. So, I don't think MBFS needs do more. I'm aware Mr O feels the car is unsafe, but I've seen nothing to suggest this is the case. I've seen nothing to suggest the repair hasn't been successful. Should he experience further issues, which I hope he does not, he may wish to raise a further complaint.

As Mr O stopped paying for the car, I'd urge him to contact MBFS to discuss away forward regarding this.

My final decision

For the reasons given above, it's my final decision that the £802.42 offered by Mercedes-Benz Financial Services UK Limited is fair. I leave it to Mr O to decide whether to accept it, if he hasn't already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 27 January 2026.

Elsbeth Wood
Ombudsman