

The complaint

Mr T complains that a car acquired under a hire purchase agreement with Secure Trust Bank Public Limited Company trading as V12 Vehicle Finance ("V12")¹ wasn't of satisfactory quality when it was supplied to him.

What happened

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

In June 2023, Mr T entered into an agreement to acquire a used car. He used a credit broker to source the finance, and the car was provided by a manufacturer-approved dealership (N). He paid a £30,000 deposit, with the balance being provided under a hire purchase agreement with V12. The car was five years old and had covered approximately 38,000 miles when the agreement started. The agreement was for 60 months, with 59 monthly repayments of £654.82, and a final payment of £664.82. The cash price of the car was £59,919.

Within a week of taking delivery of the car Mr T noticed some faults with it. It was returned to N, and they explained the following faults had been found:

- Required new driver's seat massage assembly
- Required new rear centre armrest lid as assembly hinge broken
- Front lower arm bushes starting to crack/split
- Brake pads/discs starting to get low
- Spare tyre damaged

N agreed to repair what they could at the time, but some of the repairs couldn't be completed immediately as the parts weren't available. Mr T was happy to wait for the parts so the outstanding repairs could be completed together. However, the parts weren't available for some time, and in August 2023 Mr T told N he wanted to exercise his right to reject the car. He didn't want to wait any longer for the parts to be available.

Mr T and N came to an agreement that he would wait a while longer. But the parts still weren't available in mid-January 2024, so Mr T again told N he wanted to reject the car. He got in touch with V12 at this point too and told them the same thing whilst raising a complaint.

V12 took some time to respond to Mr T's complaint and, whilst they upheld it, they didn't agree to reject the car. They said the parts had been available at N since the end of January 2024 and Mr T hadn't made the car available for repair. So, V12 thought repair was the most suitable remedy to the complaint. Mr T didn't accept this – he didn't believe N had the parts and wanted additional proof.

¹ Referred to as Secure Trust Bank PLC trading as V12 Vehicle Finance on the hire purchase agreement.

Mr T brought his complaint to our service. Our investigator upheld it, and also said she thought that repair was the most suitable remedy in this case. She said Mr T could ask N to undertake the repairs or find his own reputable VAT registered garage to complete the repairs and V12 should cover the cost. She said Mr T should be entitled to a 5% refund of all the monthly repayments he'd made to reflect the impaired use he'd had of the car.

V12 accepted our investigator's outcome. But Mr T didn't. Whilst he seemed happy to accept the repair option, he would only do so if our investigator obtained more evidence from V12, via N, that the parts were available in January 2024 as specified by N. Our investigator explained she was satisfied with the evidence she had and wouldn't be asking for anything else.

As Mr T didn't agree, the complaint was passed to me to decide. I issued my provisional decision on 5 August 2025. It said:

'I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Both parties have provided a lot of information here. I'd like to reassure them that I've read and considered everything that's been sent, although I haven't commented on it all within this decision. I will be focussing on what I consider to be the key points 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.

Mr T has made a lot of reference to N in his submissions to our service. And I empathise with his situation with them. But I think I need to start my decision by explaining what I am looking at, and who I am considering this complaint against. I'm only looking at V12's responsibility here as the finance provider of the car. Mr T was introduced to V12 by a credit broker, so V12 have responsibility for anything the credit broker said did pre-sale, as they were acting as agents of V12 at this time – but V12 don't have any responsibility for anything N have said or done pre-or post-sale. N haven't been acting as agents of V12 at any point, and I can't consider their actions.

As the hire purchase agreement entered by Mr T is a regulated consumer credit agreement this service is able to consider complaints relating to it. V12 are also the supplier of the goods under this type of agreement and are responsible for a complaint about their quality.

The Consumer Rights Act 2015 (CRA) covers agreements like the one Mr T entered. Because V12 supplied the car under a hire purchase 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 and the price paid.

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 T's case, the car was used and had covered approximately 38,000 miles when he acquired it. So, I'd have different expectations of it compared to a brand-new car. Having said that, the car's condition should have met the standard a reasonable person would consider satisfactory, given its age, mileage, and price.

Our investigator has explained that she thinks the car wasn't of satisfactory quality when it was supplied to Mr T. I agree in this case. There is no doubt the car has had faults from since it was supplied to Mr T – and some of those faults still haven't been repaired. From what I've seen, I'm persuaded the faults confirm the car wasn't of satisfactory quality from the point of supply. I'll explain why.

The CRA explains that where goods are found not have conformed to the contract within the first six months, it is presumed the goods did not conform to the contract at the point of supply. Unless the supplier, V12 in this case, can prove otherwise. However, Mr T brought the problems with the car to V12's attention in January 2024, almost seven months after he'd been supplied with it. As this was outside of six months it was for Mr T to show any faults with the car had been present at the point of supply.

I'm satisfied that Mr T has demonstrated that the car had faults from the point of supply. He has provided numerous emails and correspondence between him and N. And, V12 have accepted the faults were present at the point of supply too. The only thing I need to decide on now is the appropriate remedy.

Our investigator has suggested that the car should be returned to N, or another reputable garage, for the repairs to be completed. But I'm not persuaded that is the most appropriate remedy option at this stage.

The CRA allows for one opportunity to repair, and it says those repairs should be completed in a reasonable amount of time, and with minimal inconvenience to the consumer. In Mr T's case, I'm satisfied that one attempt to repair has already taken place. I say this because the car was returned to N a few days after delivery to have some faults looked into. At that stage, some repairs were undertaken – and some couldn't be completed due to the lack of available parts at the time.

I accept that Mr T said that he was happy to wait for the parts to be received. But I'm also aware he started to voice his concerns about the length of time he was waiting in August 2023, when he first asked N to allow him to reject the car. And he made V12 aware of his wish to reject the car in January 2024, when he was still waiting for the parts to be available to be fitted to his car. I'm persuaded that waiting for seven months for repairs to be completed isn't a reasonable amount of time. Mr T has opted for a luxury car and has committed to a high monthly repayment, and I think it's reasonable of him to expect to have his repairs completed in a much timelier way. I appreciate the delays may have been caused by the manufacturer, and the parts just not being available, but that doesn't detract from the CRA, and the requirements contained within it. The CRA sets out that (outside the first 30 days) if the car isn't of satisfactory quality, there's been a repair attempt, and the car still doesn't conform to the contract, Mr T should be able to reject it. I'm satisfied that V12 should have accepted Mr T's rejection in January 2024, when he made his complaint to them.

I know Mr T has made a lot of comment about N's actions, and whether or not information has been entirely accurate. As I mentioned earlier in this decision, the actions of N aren't something that I'm considering within this decision. And, as I'm satisfied Mr T should have been able to reject the car prior to the parts being made available, I don't find any of the other concerns relevant to the decision I need to make.

As I'm satisfied rejection should have been accepted by V12, they should now end the agreement with Mr T, with him not being responsible for any further monthly repayments. V12 should also arrange to collect the car from Mr T, without charging him for collection. V12 should also refund Mr T's deposit.

I anticipate V12 will be unhappy that I'm suggesting Mr T's full deposit amount is refunded to

him. Mr T has put a large deposit down on the car, and that might have meant that his monthly payments would be lower than without such a deposit. This might have been an important factor in working out what the monthly repayments would be.

However, there are some other factors in the circumstances of this complaint that need to be taken into account. Mr T isn't going to be making the remaining repayments as the car is being rejected. This isn't a hire agreement, his payments and deposit were going towards him owning the car, which he won't be able to do here. Mr T probably didn't foresee that things would go wrong in the way they have, and a deposit is an important factor to be able to move into a new agreement once this car is rejected. He's going to need to start again through no fault of his own and might find that his buying power is reduced.

Mr T has confirmed that the current mileage of the car is 50,186, and he has had the car declared as SORN since January 2024, when he asked to reject it for the second time. I've also been provided with an up-to-date statement of account and I'm aware Mr T has kept up his monthly repayments even though he hasn't been using the car. The CRA says that a deduction can be made from any refund to take account of the use the consumer has had of the goods in the period since they were delivered. It doesn't set out how to calculate fair usage and there's no exact formula for me to use. N have suggested that they would look to charge Mr T a pence-per-mile charge for the mileage he's covered, and Mr T has suggested he should only be charged for the depreciation of the car. There's not an industry standard mileage figure. My role is to decide case quickly and informally – and I have to bear in mind Mr T has driven the car for 12,000 miles in the seven months he's used it. I'm not persuaded he would have been able to hire a similar car for the same period for what he's suggesting the depreciation amount is. So, in this case I think it's fair that V12 can keep all the monthly repayments Mr T made towards the agreement until January 2024 to reflect the use he's had of the car. All payments made after January 2024 should be refunded to Mr T.

This reflects the nature of our service, which is intended to be fair, quick, and informal. I'm satisfied that this proposal means Mr T will have paid a reasonable amount for his use of the car, taking into account all the individual circumstances, which I think is the spirit of the legislation. He'll also be able to consider a new agreement for a new car without being in a worse position overall.

Mr T has explained the impact having a car of unsatisfactory quality has had on him. He chose to acquire a luxury car for a high price, and his enjoyment of that has clearly been impacted by the faults seen with the car. Mr T has explained it became too uncomfortable to drive due to the fault with the seat. No amount of money can change what's happened. But the compensation I'm awarding is in line with what's awarded where the impact of the mistake has caused considerable distress, upset and worry. I'm planning to ask V12 to pay Mr T £250 to reflect the inconvenience of being supplied with a car of unsatisfactory quality.

I'd like to remind Mr T that he's able to reject this decision if he believes he can achieve a better outcome by alternative means, such as through the courts.'

Mr T responded. He accepted the findings of the provisional decision.

V12 also responded. They said they had concerns about the condition of the car now, as it had been declared SORN and off the road since January 2024. They said it had been fine mechanically. They also had concerns about the car's depreciation, as Mr T hasn't had it serviced so the car is now without a full-service history. Whilst V12 accepted my point about the rejection of the car, they wanted me to consider the amounts I was planning to ask them to return to Mr T.

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 see no reason to depart from the findings of my provisional decision. I'll explain why.

V12 have raised concerns about the condition of the car as it's been off the road for several months now. Whilst I appreciate those concerns, I think they had the opportunity to avoid any of those concerns when Mr T asked to reject the car again in January 2024. The reason Mr T has declared the car as SORN is because it became too uncomfortable to drive – the massage seat mechanism was making driving the car too painful – and I have no reason to believe there is anything wrong with it mechanically. Mr T has acted in the manner of someone that wanted to reject the car. He has stopped using it, whilst maintaining his scheduled monthly repayments, and had V12 acted in accordance with the CRA and allowed the rejection when it was requested the car would have been returned to them much timelier.

V12 have also mentioned the car's depreciation and the lack now of a full-service history. As I've mentioned above, I'm satisfied V12 had the opportunity to mitigate these concerns in January 2024 when Mr T made it clear he no longer wanted the car. What has happened since then isn't the responsibility of Mr T, and I don't see why I shouldn't award him what I've outlined in my provisional decision.

V12 should settle the complaint as outlined below and in my provisional decision.

My final decision

For the reasons above, I'm upholding this complaint. Secure Trust Bank Public Limited Company trading as V12 Vehicle Finance must:

- End the finance agreement ensuring Mr T is not liable for monthly rentals after the point of collection (they should refund him any overpayment for these if applicable).
- Take the car back without charging for collection.
- Refund Mr T's deposit of £30,000.
- Refund the monthly repayments made by Mr T from January 2024, when the car has been off the road, until the date of settlement.
- Pay Mr T £250 compensation to reflect the upset he's been caused by being supplied with a car of unsatisfactory quality.
- Remove any adverse information from Mr T's credit file, in relation to this agreement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 29 September 2025.

Kevin Parmenter
Ombudsman