

The complaint

Mr B complains that the car supplied to him by Mercedes-Benz Financial Services UK Limited ("MBFS") is not of satisfactory quality.

What happened

Mr B was supplied with a new car by MBFS in March 2023. This was supplied on a hire purchase agreement for four years. In June 2024, Mr B has told us that the car performed an emergency stop without him instigating this, on a dual carriageway. He complained to MBFS including saying he'd had several issues with the brakes since the car was supplied, and when they hadn't responded with a final response letter (FRL) within eight weeks, he brought his complaint to our service.

Shortly after this, MBFS issued an FRL not upholding his complaint. They said that the original issues he'd had with the brakes were in fact normal functionality of the car, which had been explained to him. And that he had declined MBFS' offer to carry out further investigations of the car regarding the emergency stop incident.

They highlighted that outside of the first six months of the agreement, it would be Mr B's responsibility to prove the car was faulty since supply. They suggested he should book the car in with an authorised repairer for further investigation so they could re-assess his concerns.

Shortly after this in September 2024, while the case was at our service awaiting an investigator to investigate it, Mr B appears to have taken the car to a different main dealer who identified an issue with the camera software needing an update, and then a problem with the steering control unit which needed replacing. They confirmed these issues were not related to the incident with the emergency braking. They later confirmed that a technical team had investigated the emergency braking incident and said that some sort of external interference had occurred, possibly radar, that had caused this, so the car had no fault relating to this.

The investigator at our service then investigated the complaint and partly upheld it. They said that the steering control issues meant the car wasn't of satisfactory quality, but that as MBFS had had this repaired by December 2024, Mr B didn't have a right to reject the car.

They recommended Mr B be refunded for his monthly payments from June 2024 when he says he stopped using the car, to December 2024 when it was confirmed the car was fixed and ready for collection.

Neither party agreed with this view. Mr B said the car was unsafe and he wanted to reject it. MBFS said that the steering unit fault was not what Mr B had complained about, had only been diagnosed in September, not since June, and Mr B had been offered a courtesy car while they repaired it but had declined it, so they didn't feel this part of the complaint should be upheld or that payments should be refunded.

There were some delays before the case could have a final decision by an Ombudsman as

Mr B wanted to obtain some independent evidence about the emergency braking issue, but after it had proven not possible for him to do this, the case has come to me for a final decision.

I issued a provisional decision on 1 August 2025 as follows:

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've reached the same conclusions as the investigator about the emergency braking issues, but different conclusions about the steering control unit problems. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome. Where evidence has been incomplete or contradictory, I've reached my view on the balance of probabilities – what I think is most likely to have happened given the available evidence and wider circumstances.

In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and (if appropriate) what I consider was good industry practice at the time. Mr B was supplied with a car under a hire purchase agreement. This is a regulated consumer credit agreement which means we're able to investigate complaints about it. The Consumer Rights Act 2015 ('CRA') says, amongst other things, that the car should've been of a satisfactory quality when supplied. And if it wasn't, as the supplier of goods, MBFS are responsible. What's satisfactory is determined by things such as what a reasonable person would consider satisfactory given the price, description, and other relevant circumstances. In a case like this, this would include things like the age and mileage at the time of sale, and the vehicle's history and its durability.

Durability means that the components of the car must last a reasonable amount of time. The CRA also implies that goods must conform to contract within the first six months. So, where a fault is identified within the first six months, it's assumed the fault was present when the car was supplied, unless MBFS can show otherwise. But where a fault is identified after the first six months, the CRA implies that it's for Mr B to show it was present when the car was supplied.

So, if I thought the car was faulty when Mr B took possession of it, or that the car wasn't sufficiently durable, and this made the car not of a satisfactory quality, it'd be fair and reasonable to ask MBFS to put this right.

Unfortunately, this complaint has got a little bit out of control, and the investigation has moved into things that weren't part of the original complaint, as they've happened since that complaint was raised and answered. However, I do intend to cover them off, as this feels the fairest way to deal with this now rather than to ask Mr B to complain again and to drag this out even longer.

I will also focus here on the things that I think are most pertinent, as the file has grown and grown and I'm afraid this has allowed things to move away from the fundamentals involved in deciding a fair outcome here.

Mr B's complaint was about the car doing an emergency stop on the dual carriageway. I completely appreciate that this must have been a scary situation for him, and I can see that extensive investigations have been carried out by several parties to try to identify an issue here.

Two key things apply here for my decision. The first is that as the complaint issue is around

12 months after the car was supplied, it relies on Mr B to provide evidence that there is a fault, and that fault was present or developing at the point of sale. The second is that MBFS have one right to repair the car should any issues occur which make the car of unsatisfactory quality.

The only conclusion I have seen about the causes of the emergency braking is from a technical team at the manufacturer who have said there's no fault with the car, and it must have been some sort of external influence like radar which has caused the issue to occur. As such, I can't say that the car is of unsatisfactory quality because of this issue. There's been no fault identified with the car by any party, and whilst it was right for us to give Mr B the chance to involve others to try to identify that proof, he hasn't been able to do this, and it's fair now to make a decision on this issue.

Without any other evidence, I can't fairly disagree with the conclusion that some external influence caused this, not a fault with the car. I appreciate that if the car can be influenced by some external factor, this might be a concern and could indicate more of a problem. But with no further proof of that here, I can't say the car is of unsatisfactory quality. The burden of proof lies with Mr B to prove the car is of unsatisfactory quality, and amongst all the evidence presented by both sides, I'm not persuaded this has been proved.

Secondly, I've thought about the fact that the CRA says that MBFS would have one right to repair any fault that presents. During the investigations, a fault has been identified with the steering control unit, and MBFS have had this repaired. This occurred whilst they were investigating the issues with the emergency braking problem, but I am satisfied that it is an entirely separate issue.

However, this does constitute MBFS' one chance to repair the car under the CRA, so this has now been used. I wouldn't expect a steering control unit to need repair/replacement on a new car after 18 months. So, if further satisfactory quality issues present with the car, Mr B may then have the right to reject the car. But this would require a further issue to occur, a complaint to be raised, and evidence to be presented by him that the car wasn't of satisfactory quality when supplied.

I don't agree with the investigator that this complaint should be upheld, and compensation due, because of this secondary issue with the steering control unit, however. Mr B has told us that he had stopped using his car in June 2024 after the emergency braking incident, and this issue with the steering control unit wasn't identified or repaired until late 2024, October to December time.

Mr B had therefore already not been using the car for several months by his own choice, and MBFS have told us that when they took the car to repair the steering control unit, they offered Mr B a courtesy car, but he declined, saying he already had access to another car he would use.

As such, I am not persuaded that he should be refunded his monthly payments due to this steering control unit issue. MBFS offered him a courtesy car to keep him mobile, he declined this, and they repaired the car and made it available for him to take back.

Alongside this, I've seen that Mr B has been offered a £500 voucher as a goodwill gesture due to the problems he's had with the car. As such, I am persuaded that MBFS have dealt with this subsequent issue fairly, and it doesn't warrant any further compensation than has already been offered to him.

On this basis, I can't uphold his complaint. The issue he actually complained about, the emergency braking incident, hasn't had any fault identified with the car, so I can't uphold

this.

The subsequent issue with the steering control unit absolutely made the car of unsatisfactory quality at this point, but under the CRA, MBFS would be entitled to the chance to repair the car, which they've now done. They also offered a courtesy car to keep him mobile, so I am satisfied that MBFS have dealt with that issue fairly, and this complaint shouldn't be upheld, therefore.

MBFS have used their one chance to repair allowed to them under the CRA, so if further issues occur, Mr B may then have the right to reject the car. But at this point, I am satisfied that MBFS have dealt with him fairly, and answered his complaint fairly, and I won't be asking them to do anything more.

My provisional decision

I don't intend to uphold this complaint, unless I receive further testimony or evidence that changes my mind by the deadline.

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.

MBFS acknowledged receiving the provisional decision and said they'd wait for the deadline to pass to see if further information or evidence was supplied by Mr B.

Mr B responded to the provisional decision. He said that I had misinterpreted what the dealership have told him. He said that they had confirmed in an email on 10 October 2024 that the car had shown two faults, one being the braking event on the motorway, the other being the Active Brake Assist issue which eventually led to some repairs. He said for the car to do an emergency stop in the middle of a dual carriageway has to be a fault, as it is unsafe, and a fault in the design of the system.

He listed from the handbook the list of reasons that the Manufacturer says can mean the system can be impaired and pointed out that none of these were present. The list included weather issues, dirty/damaged or covered up sensors, interference from other radar sources, tyre pressure issues, complex traffic situations and a variety of issues with other road users moving into range/being hidden by other objects/being somehow camouflaged for some reason, as well as if the driver's seat belt is not fastened or the car is on bends with a tight radius. He also highlighted that this wasn't an exhaustive list, and said the reality was that he's been supplied with a car that has a system which doesn't work consistently and can fail. He feels that's a clear fault, and that fault has presented on his car, MBFS haven't fixed it, so he should be able to reject the car.

He also said he hadn't declined a courtesy car when his car went in for repairs because he had another car, in fact the offer was unilaterally withdrawn two days later, and if he had been offered a courtesy car for the many months he was without a vehicle, he would have taken it. He added that the offer of a £500 voucher had also never been supplied.

Finally, he said that while he didn't expect any of this would change the final decision, he asked for that decision to be factually accurate.

I've thought about the points Mr B has made, and I will deal with them point by point. I think it's important to re-focus on the Consumer Rights Act 2015 (CRA). I did discuss this in my provisional decision, but some clarity here might help. Mr B has said that I have said he must

show that the fault existed at the time of delivery, which isn't quite right. The CRA is the act which potentially gives him the right to reject the car, so is important here. For it to be fair to allow him to reject the car, the CRA suggests that if the fault has developed more than six months after supply, the balance of proving the fault exists falls more towards the Consumer, not the business.

In his case, this means that rather than MBFS having to prove a fault wasn't present or developing at the point of sale, Mr B needs to prove that it was present or developing when the car was supplied. Whilst I appreciate his testimony and it's been provided I am sure honestly and as accurately as he could, he isn't a mechanic or engineer with experience in diagnosing or fixing faults with cars.

MBFS's position is that they've identified no fault. Whilst I understand the timeline he's presented, there are dozens and dozens of interactions provided here between at least four or five different parties when considering that MBFS and Mr B are involved, plus there is more than one dealership involved who have seen the car. The summary that MBFS have provided is that no fault has been identified. In looking through the considerable amount of evidence provided on the case file, I'm also not persuaded that a specific fault has been identified.

I understand his point that a specific email chain suggests it has, but both before, and after this email, there isn't any further evidence to back this up. This one email says they have found the vehicle *"to be distributing two separate faults, firstly the braking event on the motorway, and secondly...."*.

Whilst I appreciate this calls the braking event a fault, it also calls it a "braking event", which doesn't suggest a fault. I don't give any weight to this as proof of a fault existing, I think on the balance of probability, it's far more likely to just be clumsy language in an email.

We discussed with Mr B during the investigation the potential benefits to getting an independent engineer to produce a report to support his position. I understood he had commissioned more than one party to provide this, but ultimately, for whatever reason, he hasn't been able to provide us with any corroborating evidence to back up his position.

Whilst I accept that the evidence provided through MBFS is at times contradictory and unclear, ultimately, I return to the requirements under the CRA for me to agree that he should be able to reject the car. That is that Mr B needs to prove that the fault is present and was present or developing when the car was supplied. If I was persuaded that a fault was presenting in 2024, and had failed to be repaired, then I'd be satisfied that he had the right to reject the car, as I would accept that a fault like this shouldn't be developing this soon into the life of a new high value car. But as I've explained, on the balance of probabilities, I'm not satisfied that this is the case.

I think the list of things which can impair the system from working properly that Mr B has provided from the handbook is an interesting read. There are clearly numerous things which can cause problems with this system, and as such, I might argue that this actually gives less weight to his argument about a fault being present. This is a freely available published list of things which can impair the use of the system, and whilst it isn't comprehensive, it's already a lengthy list. Whilst Mr B has said none of these issues were present when his car did an emergency stop on a dual carriageway, it's very difficult for me to conclude that was the case when the list includes issues like weather, dirt on the sensors, surrounding traffic/objects, even the drivers seat belt not being fastened. None of these are issues I can prove either way based on the evidence provided.

Whilst this system and how important it was to his decision to purchase the car isn't

something he's complained about here or we've investigated, I could also consider that as this list of potential things which impair this systems use was public data, published by the manufacturer, it was available to him when he was making a decision to acquire the car. Whilst on a personal level I do agree that the list of things is fairly wide and might be argued makes the system only of limited value, I can't agree that it makes his car faulty.

Ultimately, I can't agree that a fault with this system has been proven here, and as such, I can't uphold Mr B's complaint or desire to reject the car.

With regards to Mr B's other points, firstly if a voucher was offered to him but he has said that it has never been supplied, I'd encourage Mr B to reach out to the party who offered it again if he now wants to accept it. It can be difficult for a business to proactively pay something when a consumer is not accepting of their outcome on a complaint or their investigations, so I would expect if he now wanted this that it would still be provided. But to be clear, I'm not including this in my outcome as something which MBFS needs to pay as part of the outcome to this case.

Finally, I've thought about the issue of a courtesy car. For clarity, I don't agree any courtesy car should have been provided from June 2024 when he has said he had the issue with the emergency stop, which was in the original investigator's opinion. As I'm not upholding that part of his complaint, I don't agree that a courtesy car should have been provided at this point.

From September 2024 when the fault with the steering control unit presented and the car needed to go to a dealership to be repaired, I've reviewed the emails Mr B has sent. He's said that the offer of a courtesy car was unilaterally withdrawn, but I don't think this is strictly what the emails show. From the emails provided, it would seem that probably due to numerous parties and dealerships being involved, at the beginning, a loan vehicle was specifically mentioned, and later in the email chains, it just wasn't mentioned either way. By this time, a disagreement has ensued about collecting or delivering the car back to a garage, and Mr B has confirmed that he will not drive the car as he feels it is unsafe.

I've also considered that Mr B has said in the emails that he's moved house, and the car is sat on the drive and a neighbour can provide the key when someone comes to collect it. And he's also told our service that he hadn't been driving the car since the incident in June, several months previously. On this basis, I can't agree that he wanted or needed a courtesy car. He's confirmed he wasn't using the car already, for reasons unrelated to this subsequent fault, indeed he's refused to drive it to the dealership for the repairs as he's said it is unsafe to drive. I've seen no evidence that he asked for the courtesy car that was offered, and there is evidence to confirm that the car wasn't being used anyway at this point for reasons unrelated to this subsequent fault.

On this basis, I'm still not persuaded that Mr B should be compensated for this period where his car was being repaired and he wasn't provided with a courtesy car.

I'm not persuaded to change my provisional decision, and I won't be asking MBFS to do anything further.

My final decision

I am not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 16 September 2025.

Paul Cronin
Ombudsman