

The complaint

X has complained that a car they acquired using finance from Ald Automotive Limited ('ALD') wasn't of satisfactory quality.

What happened

X entered into a car hire agreement with ALD in June 2023. However, the car broke down on 22 December 2024, and was recovered at a cost of £60. It was apparent from the AA report, and the subsequent findings of the garage, that the ECU had failed. Indeed, once it had been replaced, the problem was remedied in June 2025. The car has now been returned to ALD, given the hire agreement was ending.

After the complaint was referred to us, ALD said it would refund three monthly rental payments, and pay £150 compensation, as a gesture of goodwill.

One of our investigators looked into what had happened. He could see that the car was three years old at the point of supply, and had around 19,000 miles on the clock. So, he thought it 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 it might need repair and/or maintenance sooner than a car which wasn't as road-worn when it was supplied.

He was also mindful that the fault didn't occur until around 19 months after the car had been supplied, and when it had been driven around 7,000 miles. But, he needed to think about how durable the car was – specifically, whether parts had failed prematurely. He explained that the ECU is an integral part of the effective operation of the engine, and is generally expected to last the lifetime of the vehicle. Considering this part was replaced and this remedied the issues, he thought this was the part that had most likely failed. He wasn't persuaded this part should have required replacing when it did, on a relatively young vehicle with low mileage. Nor had he seen anything to suggest the issues with the ECU were as a result of anything other than it not being durable. So, he thought, on the balance of probabilities, the car was not of satisfactory quality at the point of supply. He thought ALD should refund all of the rental payments from the date the car broke down, and pay £250 compensation for the distress and inconvenience caused.

ALD disagreed. In summary, it said that it had already paid X three monthly rental payments and £150 compensation, which is beyond its contractual obligations. It said there were no reported issues for 19 months, so disputed that the vehicle was not of satisfactory quality when supplied. Further, it said X had a non-maintained contract, which means they are responsible for any repairs to the vehicle. And, there is nothing in the contract to say a hire/courtesy vehicle will be supplied or that it will pay for loss of use in the event the vehicle is off the road.

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 upholding it. This is for the same reasons as those given by our investigator, and there's little I can meaningfully add to what he's already said. It's clear to me that the car was not of satisfactory quality, because it wasn't sufficiently durable. It is not a 'maintenance' issue, but an inherent quality issue. This is the case regardless of the fact X was initially happy with the car. It's clear the premature failure didn't manifest itself until a later date. And, X should not have to pay to hire a car they cannot drive. So, they need to be refunded all payments made for the full period they were without it.

It's also clear that the matter has been inconvenient, given X then had to arrange transport. While it may be the case that ALD isn't contractually obliged to provide a hire car, the fact remains that the supply of a car that wasn't sufficiently durable has resulted in inconvenience. Our service makes awards for this, and here, given the level of inconvenience involved over a number of months, I'm satisfied the compensation for this aspect of the complaint should be increased to £250.

Putting things right

To put things right, ALD should:

- refund X the full rental payments from 22 December 2024 onwards to reflect loss of use, adding 8% simple interest a year, from the date each payment was made, to the date of settlement. It may deduct from this sum any rental payments that have already been refunded;
- refund the £60 recovery cost, adding 8% simple interest a year, from 22 December 2024 to the date of settlement;
- pay a total of £250 for the distress and inconvenience caused. It may deduct from this any compensation sum that's already been paid; and
- ensure no negative information is recorded on X's credit file in respect of the agreement.

My final decision

For the reasons given above, it's my final decision to uphold this complaint. I require Ald Automotive Limited to take the actions set out above, in the section entitled 'Putting things right'.

Under the rules of the Financial Ombudsman Service, I'm required to ask X to accept or reject my decision before 24 November 2025.

Elspeth Wood
Ombudsman