

The complaint

Mr N is unhappy that a car supplied to him under a hire purchase agreement with Volkswagen Financial Services (UK) Limited ('VWFS') was of unsatisfactory quality.

What happened

The parties are familiar with the background details of this complaint – so I will briefly summarise them here. It reflects my role resolving disputes with minimal formality.

In July 2021 Mr N entered into a personal contract purchase agreement (a type of hire purchase agreement). The car was brand new with a cash price of £21,903.

In January 2025 Mr N reported a non-start issue with the vehicle, the vehicle required repairs which were completed in March 2025, at this point the total mileage on the car was around 117,000.

Mr N raised a complaint about the quality of the car, he was unhappy that repairs were taking a long time, and he wasn't provided a courtesy car for the entire duration. VWFS looked into things – it confirmed that the car had been repaired and returned. It recognised repairs had been prolonged, because of this it offered some compensation for the inconvenience and distress the situation caused.

As a gesture of goodwill, it offered a 50% refund of the monthly repayments for February – April 2025 totalling £568.33 and an additional £100 for the distress and inconvenience. Mr N accepted this offer.

Our Investigator considered things, in short, he didn't uphold the complaint as he wasn't persuaded the car was of unsatisfactory quality when supplied. Given the time and distance travelled since inception, he didn't think the faults Mr N complained of now would have been present or developing at the point of supply.

As an agreement couldn't be reached 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.

Having done so, I've reached the same overall conclusions as our Investigator and for broadly the same reasons. I know this will come as a disappointment to Mr N, but I will explain my reasons below.

The PCP agreement entered by Mr N is a regulated consumer credit agreement and this Service is able to consider complaints relating to it. VWFS is also the supplier of the goods under this type of agreement and responsible for a complaint about its quality.

The Sale of Goods Act 1979 is relevant in this case. It says that there is an implied term that 'the goods supplied under the contract are of satisfactory quality'. To be considered as

satisfactory, the Act says the goods need to meet the standard that a reasonable person would regard as satisfactory, considering any description of the goods, the price and all the other relevant circumstances. The Act also explains the durability of goods is part of satisfactory quality.

It seems likely that in a case like this involving a vehicle, the other relevant circumstances a court would consider might include things like the age and mileage at the time of sale, and the vehicles history.

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

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 N's case, at the point the car experienced the issue with a non-start/charging issue, the car was three years old and had undertaken over 100,000 miles

A car has numerous mechanical and electrical parts which will inevitably wear with age and use. Different parts of a vehicle will have differing expected lifespans, and some will be required to be replaced as part of regular ongoing maintenance. With this in mind I've not seen anything to persuade me that the failed non-start issue which Mr N complains of now failed prematurely or was not reasonably durable given the vehicle's age and mileage.

When considering the overall circumstances of this complaint, which includes the expectations around a new car I accept there could be reasonable grounds to conclude a car experiencing this issue was not of satisfactory quality.

However, the difficulty here is the lack of evidence that in my view demonstrates the severity of the issues Mr N experienced. The repairs carried out under warranty also appear to have rectified the problem.

Further, based on what I've seen, on the balance of probabilities, I'm not satisfied there is evidence that shows that the issues Mr N encountered in January 2025 resulted from a fault that was present or developing at the point the car was supplied to him and was more likely down to reasonable wear and tear. Under the circumstances, I think the offer made by VWFS was both fair and reasonable.

I empathise with the situation Mr N is now left in, and I understand why this isn't the outcome he would've wanted. But for the reasons I've explained I won't be asking VWFS to take any further action in relation to this complaint.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 1 January 2026.

Rajvinder Pnaiser
Ombudsman