

The complaint

Miss G complains that the car she acquired through RCI Financial Services, trading as Mobilize Financial Services ("MFS") wasn't of satisfactory quality. She says the car failed and needed recovering and she was told that it was unsafe to drive. Miss G wants to reject the car and cancel the finance agreement.

What happened

Miss G entered into a hire purchase agreement in October 2024 to acquire a used car. The cash price of the car was £22,230, and after taking account of Miss G's advance payment of £5,228.13, the balance was to be repaid through the credit agreement which was set up over a term of 49 months. Miss G's monthly payments were £258.60, resulting in the total repayable under the agreement, if it ran to term, being £29,141.12. At the time of acquisition, the vehicle was only 10 months old and had been driven just over 8,000 miles.

Miss G told us:

- In January 2025, the car lost all power, and lots of error messages illuminated on the dashboard;
- she managed to free-wheel down the hill into her employer's car park, but as she turned into the car park a new collision warning illuminated, before the car set off at full throttle across the car park narrowly missing colleagues' cars;
- despite having her foot on the brake, the car would not stop. The car then suddenly stopped itself before hitting the building;
- she called out a well-known third-party roadside recovery firm, but it could not get the car to start; the car wouldn't lock; the handbrake couldn't be engaged; and other warning errors appeared. The car was lifted and towed away;
- the roadside recovery firm reported "*suspected electrical fault, car will not respond, won't engage drive, needs recovering*" ... "*fault found in the engine bay control unit*";
- the local dealership couldn't replicate the fault, and it asked Miss G to collect the car, but she didn't think the car was safe and asked for a copy of the diagnostics report;
- the report confirmed dozens and dozens of error codes, which another garage said were serious, and that she should not collect the car – it simply wasn't safe to drive;
- she told the local dealership what the other garage had said, and it agreed the car was not safe to drive, and it said it could not be returned to her until a safety inspection had been completed as the car appeared to have a '*dangerous defect*';
- more than 90 fault codes were identified on the diagnostic report including, but not limited to "*airbag ECU; engine ECU faults; ADAS faults (driving assistance); loss of communication with vehicle control speed modules faults; steering collum faults; seatbelt faults (which compromises the function of the airbags and seatbelt tension in event of a collision); battery faults and overheating; suspension faults; acceleration sensor errors; transmission errors; many others*";
- she wants to reject the car and cancel the credit agreement. And because she'd had to hire a courtesy car, she wants some of the additional costs reimbursing.

MFS rejected this complaint. It said it could not provide advice on mechanical issues associated with the car, but it did say it had contacted both the supplying dealership and the repairing dealership. It said the repairing dealership had been unable to replicate the fault, and it had sought technical support directly from the manufacturer.

MFS said that because the fault cannot be replicated, repairs cannot be undertaken. And it noted that the supplying dealership will not authorise rejection of the car.

MFS acknowledged Miss G's inconvenience and frustration, but it said it could not assist any further, and it would not uphold her complaint as it believed the supplying dealership had acted correctly by booking the car in for testing to diagnose the reported issues.

On 25 June – more than five months after Miss G reported the issues with the car, the manufacturer's customer care team wrote to her saying, *"Thank you for your continued patience. Please note, we have been in contact with your retailer, who advised that they are still carrying out investigations into the fault. Please note, the retailer is working closely with our technical team to diagnose the issues. Currently, they are awaiting feedback from the technical team"*.

On 8 July, the manufacturer's customer care team wrote to her saying, *"Please note, we have been in contact with the retailer, and they have informed us that they are still actively investigating the issue with the assistance of the technical team. At this time, they are unable to provide an estimated date of completion. Please be assured that we will continue to monitor your case closely and will provide you with an update as soon as new information becomes available"*.

On 17 July, the manufacturer's customer care team wrote to her saying, *"My sincere apologies for the delayed response. Kindly be advised we have been in contact with the technical team, and they have advised that the issue is still under investigations. Considering how long your vehicle has been at the retailer, we have requested that the technical team expedite the treatment of this case and provide feedback as quickly as possible"*.

On 23 July, the manufacturer's customer care team wrote to her saying, *"I write to provide you with a further update. Due to the ongoing delay of the resolution of your case, I am unable, at this point, to provide you with a resolution of this matter. For this, I do sincerely apologise. However, based on the information provided, I am continuing to investigate an option for resolution"*.

On 30 July, the manufacturer's customer care team wrote to her saying, *"We have been in touch with [repairing dealership] and they have informed us that they are currently still waiting for further instructions from the central technical team. Please be assured we will continue to monitor this closely and will update you as soon as more information becomes available"*.

On 27 August – more than seven months after Miss G first reported issues with the car, the manufacturer's customer care team wrote to her saying, *"we have been in contact with [repairing dealership] and they have advised us that they are actively working with the technical team to resolve the issue. Currently, they are awaiting further instructions from the technical team. Once these instructions are received, the retailer will apply them and then provide us with an update. Please be assured that we will continue to monitor your case closely and will provide you with another update as soon as more information becomes available"*.

On 13 October, nine months after first making MFS aware of the issues she'd experienced, the manufacturer's customer care team wrote to Miss G saying, *"Please accept my sincere*

apologies for the delayed update. We have been in contact with your retailer, [repairing dealership], regarding your vehicle. They have advised us that they are expecting your vehicle to go back into their workshop today”.

Our Investigator looked at this complaint and said that she thought it should be upheld. She said it was likely there were faults with the car, based on the diagnostic report, the fault codes, and the summary note from the roadside recovery firm. She noted that although MFS said the faults couldn't be replicated, the repairing dealership had held on to the car for many months in order to carry out testing. She said MFS' position was not reasonable, and she concluded the car was faulty, even if the faults were intermittent.

She said that because the faults arose so soon after Miss G acquired the car, it was reasonable to conclude that the faults were present or developing at the point of supply, and that the car was not of satisfactory quality when supplied by MFS.

She explained the relevance of the Consumer Rights Act 2015 and said that in view of the fact that the car had been at a manufacturer's repair centre since January 2025, with various tests being undertaken by different teams, it was not fair and reasonable for Miss G not to be able to reject the car and unwind the finance agreement. And she set out the steps MFS needed to take to put things right, including the fact that Miss G was not supplied with a courtesy car for several months, and then when she was, she had to pay an additional £100 each month for insurance because the car was of a higher specification. And she asked MFS to pay Miss G £200 compensation.

Miss G accepted our investigator's opinion. MFS did not. So the complaint comes to me to decide.

MFS said *“Without replication or confirmation of a persistent defect, it cannot be reasonably concluded that the vehicle was inherently faulty”* - and it said the repair remedy had not been exhausted – it felt our Investigator's recommendations to settle this complaint were disproportionate.

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 considered all the evidence and testimony afresh, I've reached the same conclusion as our Investigator and for broadly the same reasons. I'll explain why.

The hire purchase agreement entered into by Miss G is a regulated consumer credit agreement which means that this Service is able to consider complaints relating to it. MFS is also the supplier of the goods under this type of agreement, and it is responsible for a complaint about their quality.

I note here that MFS has referred to both the supplying dealership and the repairing dealership as if they decide what happens in the resolution of this complaint. However, I must remind MFS that it is the supplier of the goods under this type of agreement, and so it is responsible for a complaint about their quality.

The Consumer Rights Act 2015 (“CRA”) is relevant to this complaint. It says that under a contract to supply goods, there is an implied term that the “quality of the goods is satisfactory”. To be considered “satisfactory” the goods would need to meet the standard that a reasonable person would consider satisfactory – taking into account any description of

the goods, the price and other relevant factors. Those factors, in the case of a car purchase, include things like the age and mileage of the car at the time of sale, and the car's history.

The CRA says the quality of the goods includes their general state and condition and other things like their fitness for purpose, appearance and finish, freedom from minor defects, safety, and durability can be aspects of the quality of goods.

I've had sight of the same evidence as our Investigator that supports the timeline of issues and events that Miss G describes. Miss G's testimony has been consistent, plausible and detailed. Taking all this into account, I've concluded that, based on the limited time that Miss G had the car before she complained about the significant number of faults and issues she experienced, together with the fact that a reputable roadside recovery firm had to lift and tow the car and reported that "*suspected electrical fault, car will not respond, won't engage drive, needs recovering*" ... "*fault found in the engine bay control unit*", as well as the very, very lengthy time the manufacturer's customer care team have taken to look at matters – they were still investigating some nine months after Miss G first reported things – this car is faulty I've simply seen no evidence from MFS to persuade me otherwise. Accordingly, I've concluded that the car wasn't of satisfactory quality when first supplied.

The car was supplied in October 2024. Miss G reported issues in January 2025, and certainly within six months of acquiring the car. The CRA says that, where a fault is identified within the first six months, it's *assumed* the fault was present when the car was supplied, unless MFS can show otherwise. And MFS hasn't shown any evidence – such as an independent inspection by an independent engineer – to support its position. So, again, I'm satisfied that the car acquired by Miss G was not of satisfactory quality at the point of supply.

Under the CRA, MFS has one opportunity to repair or replace a faulty car. However, where it seems to me that MFS has misunderstood its obligations under the CRA is around the subject of repairs. It should note that the CRA only allows *one attempt* at fixing goods of unsatisfactory quality (not one attempt at each individual fault) before the consumer is entitled to other remedies – including rejection. I say this because MFS, through the manufacturer's customer care team, appears to suggest that endless attempts to diagnose and investigate the faults are acceptable. In my opinion, they are not – it's simply neither fair nor reasonable.

Miss G should be able to expect a manufacturer approved dealership to be able to investigate matters quickly, and diagnose any problem effectively, before providing its findings and proposals to its consumer. In this case, the car has spent time off the road being investigated that equates to more than three times the length of time Miss G actually drove the car.

It follows, that it would likely be fair now for Miss G to be able to reject the car in accordance with her consumer rights as set out in the CRA.

There also remains the issue of compensating Miss G for the period in which she was unable to use her car; the payments she made when she couldn't drive it; the additional costs she incurred; and for the distress, worry, anxiety and inconvenience that she's experienced.

Miss G asked for her fuel and other car costs to be re-imbursed. I've considered this carefully but have decided that it would not be appropriate to do so. I say this because taxing and insuring the faulty car is something she would have needed to do in any event – she was responsible for it. And her fuel costs are simply regular costs that come with driving a car.

In conclusion, I'm satisfied that Miss G paid for a car that she wasn't able to use, and she experienced a loss of enjoyment in terms of using it. Because of this, I'm going to ask MFS to refund her some monthly rentals and I'm going to ask it to pay her some compensation in recognition of the anxiety and worry it caused.

Putting things right

I direct RCI Financial Services Limited, trading as Mobilize Financial Services to put things right by doing the following:

- Ending the credit agreement with nothing further to pay;
- removing any adverse information from Miss G's credit file in relation to the agreement;
- collecting the car (if this has not been done already) at no further cost or inconvenience to Miss G;
- refunding Miss G's deposit / part-exchange payment;
- refunding Miss G's monthly rentals as follows – all monthly rentals from 22 January 2025 to the date the courtesy car was provided, which I understand was 22 April 2025;
- refunding Miss G's excess insurance costs upon production of a valid receipt. I understand these to be £100 per month from the date the courtesy car was provided;
- paying 8% simple yearly interest on all refunded amounts from the date of payment until the date of settlement*;
- paying a further amount of £200 for the distress, worry, anxiety and inconvenience that's been caused due to the supply of faulty goods;

*HM Revenue & Customs requires RCI Financial Services Limited, trading as Mobilize Financial Services to take off tax from this interest. RCI Financial Services Limited, trading as Mobilize Financial Services must give Miss G a certificate showing how much tax has been taken off if she asks for one.

My final decision

My final decision is that I uphold this complaint and require RCI Financial Services Limited, trading as Mobilize Financial Services to settle this complaint as I've directed above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss G to accept or reject my decision before 17 November 2025.

Andrew Macnamara
Ombudsman