

The complaint

Mr M is unhappy that a car supplied to him under a conditional sale agreement with Volvo Car Financial Services UK Limited (VCFS) was of an unsatisfactory quality.

What happened

In June 2024 Mr M was supplied with a new car through a conditional sale agreement with VCFS. He paid an advance payment of £29,000 and the agreement was for £37,795 over 36 months; with 36 monthly payments of £244.

Mr M said he had issues with the car from the day he got it. He said the doors would not open with the electric key, and the radio would not come on. He said the radio problem sorted itself after a while, but there are still issues with the doors.

He said that he reports an issue, takes it to the dealer, they tell him the diagnostics advise it has been fixed, he takes it back, and then another problem occurs. He said the problems are intermittent, and seem to fix themselves, before reoccurring or another software issue arises. He believes the car has inherent flaws and has no confidence that the manufacturer or the dealer will be able to fully fix the issues.

In September 2024 he had issues with software message flashing on the driver interface, the car door not opening, climate control not functioning, problems with battery indicator, and problems with the driver interface display. He took it to the supplying dealer who fully serviced the car. It was believed that this sorted the issues – but Mr M said the issue with the door opening was never rectified.

In November 2024, he reported issues with the radio not working intermittently, the climate control blowing out only cold air, the voice function on the sat nav system not working, and the door wouldn't open and would sometimes not lock.

He said he contacted the manufacturer, and they told him to take the car to a local dealer. He said the local dealer applied software updates, and again, it was believed this resolved the issues.

Mr M said that further faults arose in January 2025. He said the automatic handbrake only worked intermittently – a fault he believed was dangerous. He also reported that he has a warning message that the driver assist function is not available, and the doors still do not lock automatically. He also said that on one journey all the yellow warning icons appeared on the driver interface screen.

He took it back to the local garage who looked at it, but Mr M said they weren't optimistic they'd fixed the faults. Mr M said the local garage told him the supplying dealer should replace the car.

Mr M said the doors are still faulty, an icon to open the boot has disappeared, and the driver alerts function is not working. He also reported new issues in March 2025, when the home portal did not come on making the car undriveable, the reversing distances changed from

imperial to metric measurements, and the heated steering wheel came on even though it was turned off.

He also said an over the air software update had been installed. Since then, the car took 30 minutes to acclimatise, 15 minutes longer than before the update.

Mr M said he wanted the software issues resolved, or the car replaced. He said VCFS had offered him £168 compensation. He rejected the offer due to the ongoing issues, and the car had been in the garage for about twelve days, four of which he wasn't given a courtesy car.

VCFS agreed there were faults with the car. They said the initial faults had been fixed by a software update. They said the car was booked in for March 2025 for the fault with driver assist fault to be checked, and this would resolve the complaint.

Mr M was unhappy with this response, so he referred his complaint to our service for investigation.

Our investigator said faults had been fixed, and Mr M had told her that the faults had sorted themselves. She said she hadn't seen any evidence that the car was faulty, or that the current faults made the car not of a satisfactory quality. She also didn't think that VCFS should pay any further compensation to Mr M.

Mr M didn't agree with the investigator. He said the manufacturer had agreed there was a problem with the car. He said he'd had to take it to two dealers on seven or eight occasions. He said he'd been locked out of the car, the radio frequently didn't work, and the heating failed in the middle of winter.

He also said that he'd reported new issues with the car's sensors to the supplying dealer. This affected the speed limit detector, and the reversing sensors.

Because Mr M didn't agree, this matter has been passed to me to make a final decision.

I asked our investigator to ask VCFS to supply further information about the continued issues Mr M had reported with the car, including job sheets from the dealers who had investigated the issues, and details of any software updates.

In the same message she also explained to VCFS that I was minded to uphold the complaint because I thought that VCFS had the single chance of repair opportunity under section 24(5) of the Consumer Rights Act 2015 (CRA).

That was because the single chance of repair has already happened if a different fault arises after a previous repair, even if those faults weren't related – it's not a single chance of repair per fault. I was persuaded by Mr M's testimony and was happy to accept his description of the intermittent faults, and the numerous repair attempts by two different main dealer garages. I understood that it was difficult for Mr M to evidence all of the faults as many only appeared whilst he was driving.

I said that, subject to any additional comments from VCFS, I was minded to allow Mr M to reject the car.

Responses

VCFS submitted job sheets from the supplying dealer. These confirmed the car had been with them in October 2024, January 2025, March 2025, and June 2025. This was for a

variety of issues, some confirmed and repaired with software updates, or parts, whilst others couldn't be replicated. Job sheets from the other dealer had not been supplied.

VCFS requested this information via the manufacturer. In its reply to VCFS the manufacturer said it had reviewed the history of the case and "*the vehicle is eligible for rejection*".

VCFS forwarded this to our service without comment. Our investigator called VCFS, and they confirmed they had no objections.

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.

As VCFS haven't said anything to the contrary, I'm taking their comments to mean they don't object to my provisional decision.

And, given this, I see no compelling reason why I shouldn't now adopt my provisional view as my final decision.

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 M was supplied with a car under a conditional sale agreement. This is a regulated consumer credit agreement which means we are able to investigate complaints about it.

The faults Mr M described are intermittent, and it is difficult for him to capture them whilst driving. But I'm persuaded by his testimony that these software related faults continue to arise. I'm especially concerned that some of these are safety related, such as the speed limit detector, and the automatic handbrake.

Others impact on his use of the car: whether that's his ability to get in the car or driving distances with cold air blowing from the car's heater.

But they all required investigation and fixing. And the job sheets confirm there have been faults, and repeated attempts to repair them. They confirm Mr M's testimony.

Single Chance at Repair

Section 24(5) of the CRA says:

*"a consumer who has ... the right to reject may only exercise [this] and may only do so in one of these situations –
(a) after one repair or replacement, the goods do not confirm to contract."*

The CRA is clear that, if the single chance at repair fails, as was the case here, then the customer has the right of rejection.

Mr M has described the faults that have arisen on the car in the first year he had it. These are numerous, and despite numerous repairs, new faults arise, or existing ones return. So I'm persuaded he has the right to reject the car. And I'm pleased that VCFS has now agreed that Mr M can reject the car.

Putting things right

No Payment Refund

Mr M has been able to use the car while it's been in his possession. And while repairs were investigated and attempted, with only a few exceptions, he was also provided with a courtesy car to keep him mobile. Because of this, I think it's only fair that he pays for this usage. So, I won't be asking VCFS to refund any of the payments he's made.

D&I

However, it's clear that Mr M was inconvenienced by having to arrange for the car to be repaired, and by these repairs being unsuccessful. He had to make numerous visits to the garage, and even after it was fixed, he was left wondering what the next fault would be, and when it would occur.

This wouldn't have been the case had VCFS supplied Mr M with a car that was of a satisfactory quality. So, I think VCFS should pay him £200 in compensation to reflect the distress and inconvenience caused.

Therefore, VCFS should:

- end the agreement with nothing more to pay;
- collect the car at no cost to Mr M;
- remove any adverse entries relating to this agreement from Mr M's credit file;
- refund the £29,000 deposit Mr M paid (if any part of this deposit is made up of funds paid through a dealer contribution, VCFS is entitled to retain that proportion of the deposit);
- apply 8% simple yearly interest on the refund described above, calculated from the date Mr M made the payment to the date of the refund[†]; and
- pay Mr M an additional £200 to compensate him for the distress and inconvenience caused by being supplied with a car that wasn't of a satisfactory quality.

[†]If VCFS considers that tax should be deducted from the interest element of my award, they should provide Mr M with a certificate showing how much they have taken off so he can reclaim that amount, if he is eligible to do so.

My final decision

For the reasons explained, I uphold Mr M's complaint about Volvo Car Financial Services UK Limited and they are to follow my directions above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 27 October 2025.

Gordon Ramsay
Ombudsman