

The complaint

Mrs S complains that the car supplied by Mercedes-Benz Financial Services UK Limited (“MBFS”) wasn’t of satisfactory quality. She says the car is not fit for purpose and she wants to reject it and have the credit agreement cancelled.

Mrs S is represented in her complaint. For ease of reading, the submissions and testimony of both Mrs S and her representative will be referred to as being from Mrs S.

What happened

Mrs S entered into a hire purchase agreement in April 2024 to acquire a used car. It was financed through a credit agreement which was set up over a 36-month term. The cash price of the car was £68,995, and after taking into account the advance payment, the credit provided totalled £15,000. The monthly payments were £493.21, and the total amount repayable if the agreement ran to term would be £71,760.56.

Mrs S told us:

- She purchased an approved car, but it quickly became apparent that it was faulty, and although she’s been trying to get things fixed, it appears that there’s no resolution to the faults;
- the first fault occurs when turning at slow speeds – the front steering makes a grinding jerking noise and vibrates the steering. She says she’s been told this is a characteristic rather than a fault, and it’s referred to as *tyre skipping*;
- MBFS says it is a characteristic of right-hand drive cars of this model and results from the placement of the differential;
- it is more apparent in cold weather and is a design fault and should have been highlighted when she bought the car;
- the second fault concerns the *collision avoidance system*, which keeps activating when it shouldn’t – it indicates that there’s a car next to you when there isn’t, or that you’re about to collide with the car in front;
- MBFS has completed a number of software updates, but this has not remedied the problem;
- the local dealership says there’s nothing further it can do as it simply cannot identify any faults with the system, and the manufacturer will not permit components to be replaced unless faults have been identified;
- she’s stopped making her monthly payments due under the credit agreement, but this has affected her credit rating because MBFS has submitted late payment information to the credit reference agencies (“CRAs”);
- she doesn’t think the car is safe to drive, and the tyre skipping makes a noise whenever she drives in a car park, and other people have commented on this;
- the car is off the road – she’s not been driving it – but she’s still paying for it, and she’s paid more than £6,000 to have the car PPF coated [paint protection film] to protect the paintwork;
- she wants to reject the car and have her purchase costs refunded.

MBFS rejected this complaint. It said Mrs S had complained about a number of things in November 2024 – seven months after acquiring the car – and a local dealership fixed the trim on the driver’s door, greased and adjusted the boot catch, and arranged to replace the oil level sensor. And these actions were undertaken under warranty and at no cost to Mrs S.

MBFS said software updates were run, and no faults were identified in respect of the collision avoidance system and associated sensors. And it confirmed that tyre skipping is a characteristic and that the car was performing as expected.

It explained that tyre skipping occurs because of *“the distribution of weight on the front axle differential...there is a dependency on a certain element of tyre wall flexibility to help absorb the angles of steering when on firm lock. This is different for all cars and manufacturers from left to right hand drive. Due to the positioning of the front axle differential on right hand drive cars, the steering gear position differs slightly compared to the left-hand drive models. When the steering is on full lock this angle difference can result in the front tyre skipping sensation being more pronounced.*

This is more heightened during cold weather as the tyres have a lower amount of absorption and when larger wheels and low-profile tyres are fitted. Your car has larger wheels and low-profile tyres as well as a sports steering set up which all add to its optimum high AMG performance. Therefore, we would expect the tyre skipping sensation to occur in colder weather conditions”.

MBFS said *“I can assure you that the safety of your car is not compromised in any way. Mercedes Benz Cars UK (MBCUK) have worked with the Driver and Vehicle Standards Agency (DVSA) and the Motor Ombudsman with regards to the tyre skipping characteristic and are therefore able to confirm that there are no safety concerns with your vehicle”.*

MBFS reminded Mrs S that she had a responsibility to keep her monthly payments, due under the credit agreement, up to date. And it said that stopping payments would have a negative effect on her credit file because it was required to report accurate information that presents a true reflection of payment history to the CRAs.

Our investigator looked at this complaint and said that he didn’t think it should be upheld, and he explained the relevance of the Consumer Rights Act 2015 in the circumstances of this case; specifically the test around determining whether or not the goods supplied are of satisfactory quality.

He said that although he’d played the video recordings sent in by Mrs S, and he acknowledged that the car may not be performing as she’d like, he’d not been able to conclude that there was something wrong with the car. He said that based on all the information and evidence available, he was satisfied that the tyre skipping sensation is a normal characteristic of the car and not a fault. And in terms of the complaint about the faulty sensors, he said the extensive inspection and testing by an authorised dealership had identified no faults.

Our Investigator explained the role of this Service as an impartial dispute resolution service is to investigate a complaint based on the available evidence. And taking account of all the information he’d seen, he couldn’t conclude there was a fault, or that the car supplied by MBFS was not of satisfactory quality as the point of supply. He said he appreciated the car wasn’t performing the way Mrs S might like, but there wasn’t any mechanical evidence to support that the issues raised means the car wasn’t of satisfactory quality when it was supplied.

Our Investigator told Mrs S that under the terms of her credit agreement she was obligated to make all her monthly payments, and that MBFS was required to report any missed or late payments to the CRAs.

Mrs S disagreed and provided some more information to our Investigator, including an update from another dealership about their investigation into the issue she'd experienced with the sensors. And she asked our Investigator to look at her complaint again.

Our Investigator reviewed all the evidence and documentation he'd already seen; and he spoke with the manager at the dealership to better understand the investigation that had been undertaken and the conclusions that had been reached.

The supplying dealership said that despite inspecting and road testing the car, they'd been unable to replicate any of the issues that Mrs S complained of. The manager explained a number of components had been stripped and re-fitted before a 1000+ mile road test was carried out, but no faults had been identified and no fault codes had arisen.

The manager did say that as part of their investigation, they'd identified a bracket that wasn't as secure as it should've been, and they'd replaced it under warranty. The dealership told our Investigator that the issue with the bracket had no bearing on the operation of the sensors, and that the car performs exactly as it should; the radar system and sensors operate as expected.

Our Investigator concluded that the car wasn't of unsatisfactory quality when supplied and he didn't think MBFS needed to do anything more to resolve Mrs S' complaint.

Mrs S disagrees so the complaint comes 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.

I hope that Mrs S won't take it as a discourtesy that I've condensed her complaint in the way that I have. Ours is an *informal* dispute resolution service, and I've concentrated on what I consider to be the crux of this complaint. Our rules allow me to do that. Mrs S should note, however, that although I may not address each individual point that she's raised, I have given careful consideration to all of her submissions before arriving at my decision.

Having considered all the evidence and testimony from both Mrs S and MBFS afresh, I've reached the same conclusion as our investigator and for broadly the same reasons, and I don't think this complaint should be upheld. I'll explain why.

The hire purchase agreement entered into by Mrs S is a regulated consumer credit agreement which means that this Service is able to consider complaints relating to it.

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.

I would consider relevant factors here, amongst others, to include the car's age, price,

mileage and description. So, I'll consider that while the car Mrs S acquired was used, it was only around five months old and had been driven less than 2,000 miles. Although I don't believe a reasonable person would have the same expectations as would be the case with a brand-new car, given the above and that the car cost nearly £70,000, I think they would still have high standards for it. I think they would expect it to be in good condition and to have trouble free motoring for a significant period.

Tyre Skipping

There's no dispute between the parties that the car makes a noise intermittently – when turning at slow speeds – the front steering makes a grinding jerking noise. Mrs S says this shows the car is faulty. MBFS says the intermittent noise is a characteristic of the car and it does not affect the safety, performance or functionality of it.

I appreciate Mrs S thinks that because this is the case, her complaint should automatically be upheld. But I don't agree; just because there is a confirmed characteristic which causes Mrs S some concern, doesn't mean the car is of unsatisfactory quality. What I need to consider is whether or not the car supplied to her was of satisfactory quality.

In its final response MBFS said the issue being experienced by Mrs S was a known characteristic on the type of car Mrs S owned. It said *“Due to the positioning of the front axle differential on right hand drive cars, the steering gear position differs slightly compared to the left-hand drive models. When the steering is on full lock this angle difference can result in the front tyre skipping sensation being more pronounced... This is more heightened during cold weather as the tyres have a lower amount of absorption and when larger wheels and low-profile tyres are fitted”*.

In conclusion, I'm persuaded that this is a characteristic of the car, which arises in certain situations, but I've seen no evidence that it's a fault, or that it renders the car unsafe to drive. I say this because MBFS said *“the safety of your car is not compromised in any way. Mercedes Benz Cars UK (MBCUK) have worked with the Driver and Vehicle Standards Agency (DVSA) and the Motor Ombudsman with regards to the tyre skipping characteristic and are therefore able to confirm that there are no safety concerns with your vehicle”*

I acknowledge Mrs S' strength of feeling about this, but without any specific evidence to show that the tyre skipping is a fault or that it's severely affecting her driving experience and safety, or the car's performance or functionality, I'm not persuaded that the tyre skipping makes the car not of satisfactory quality when it was supplied to Mrs S.

Sensor Issues

Mrs S sent this Service some video footage taken whilst the car was being driven. She says this material shows the collisions avoidance system is faulty. And she says that the finding of a broken bracket when the car was being examined supports this. But I have to tell her I don't agree.

The car's sensor systems have been examined and inspected on several occasions by several different authorised parties, and no faults have been identified. A manager at one of the authorised dealerships commented that extensive testing had been undertaken and no faults had been identified. They explained that the videos supplied by Mrs S do *not* evidence a fault, they show that the radars are functioning as intended.

I've looked very carefully at these same videos and I've not been able to see evidence of faults with the system.

Now, Mrs S has driven very few miles in this car; she says its been parked up for months and she hasn't used it, so I just can't conclude that what she's experienced is anything other than intermittent and could be caused by a number of external factors such as radar sensors of other vehicles; other radar based systems in the surrounding area; as well as weather conditions and other roadside objects.

I've also noted that the dealership stripped and then reinstalled the components and then completed a road test of more than 1,000 miles without incident. No faults or fault codes were experienced and the dealership said that having carried out rigorous testing the car has not displayed any issues with regards the radar and blind spot detection or braking suddenly – either before or after the components were re-installed. So in conclusion, in the absence of any other persuasive evidence, I simply can't conclude that there's a fault with the sensors / collision avoidance system.

And although a bracket needed to be replaced, this doesn't make the car of unsatisfactory quality; it was replaced under warranty and at no cost to Mrs S, and it doesn't appear to have caused any issues or problems with the performance of the radar system.

As I've not been able to identify a fault with the car, I can't conclude that the car was not of satisfactory quality at the point it was supplied, and I don't require MBFS to take any action in respect of this complaint.

Monthly payments

Mrs S entered into a hire purchase agreement with MBFS in April 2024. The agreement says that Mrs S will need to make 36 payments of £493.21. And it says that missing payments have severe consequences including that legal proceedings may be brought against her, and she may find it hard to obtain credit. So I think it's fair and reasonable for MBFS to hold Mrs S responsible for all payments due under the agreement, and I think it was clear that there could be consequences if payments were missed.

Moreover, the Information Commissioner's Office (ICO) places requirements on lenders when it comes to the data they report to CRAs. The ICO says "*Lenders that supply data to the CRAs are required to ensure that the data is accurate, up to date and meets agreed quality standards*". So, on the basis that MBFS must report accurate credit information to the CRA's, I'm satisfied that it has acted fairly by following the ICO's requirements.

I know Mrs S will be disappointed with the outcome of her complaint, but I hope she understands why I've reached the conclusions that I have.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 11 November 2025.

Andrew Macnamara
Ombudsman