

The complaint

Miss L complains that Ald Automotive Limited supplied her with a car that wasn't of satisfactory quality under a regulated hire agreement.

What happened

In August 2022, Miss L entered into a hire agreement with Ald for the hire of a new car. Miss L was required to pay an advance payment of £1,172.48, followed by 47 monthly rentals of £390.83.

In April 2025, Miss L complained to Ald about the quality of the car. She said the car had required numerous repairs and despite these repairs some of the underlying issues remained. The key issues concerned the window washers and the emissions system and that there was a smell of fuel inside the car.

Ald didn't think it was required to do anything to put things right. It said Miss L was contractually responsible for covering any ongoing maintenance costs with the car.

Our investigator recommended the complaint be upheld. He was satisfied that the car wasn't of satisfactory quality when it was supplied to Miss L. He was of the view that as repeated repair attempts had failed to resolve the issues with the emissions system it was fair for Miss L to be able to reject the car and end the hire agreement with no further liability.

Miss L accepted that outcome, but Ald didn't. In summary, it said Miss L had not made it aware of any issues with the car until around 11 months after the start of the hire agreement. Further, the emissions issues didn't materialise until around 17 months into the agreement. It said on this basis it had no liability for the condition of the car.

As there was no agreement, the complaint has been passed to me for a decision.

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.

Miss L acquired the car under a regulated hire agreement. Our service is able to consider complaints relating to these agreements. The Consumer Rights Act 2015 ("CRA") covers agreements like the one Miss L entered into. The CRA implies terms into the agreement that the goods that are supplied are of satisfactory quality. Ald is the "trader" for the purposes of the CRA and is responsible for dealing with a complaint about the quality of the car that was supplied.

The CRA says that the quality of the goods is satisfactory if they meet the standard a reasonable person would consider satisfactory – taking into account the description of the goods, the price and all other relevant circumstances. For this case, I think the other relevant circumstances include the age and mileage of the car at the point of supply. The quality of goods also includes things like fitness for purpose, freedom from minor defects and

durability.

In this case the car supplied was brand new, so I think it would be reasonable to expect it to be reasonably durable i.e. not present any faults (whether minor or significant) for a considerable period of time. However, that is not what has happened here. The car that was supplied to Miss L has had numerous issues in the time she has had it.

It is disappointing that Ald appears to have substantially misunderstood its obligations under the CRA. Its liability for quality issues with a car it has supplied does not cease after six months. If it can be shown the car was not of satisfactory quality, it could be liable to put things right at any time.

Miss L has supplied evidence to show that a manufacturer approved garage has made several attempts to repair issues with the car related to the washers and emissions system over a prolonged period of time. And despite attempts to repair the emissions system, faults are still present with it after Miss L approached Ald in 2025 seeking rejection of the car.

I understand the problems with the washers have now been resolved. However, the emissions issue I consider to be more severe as it has led to fuel emissions being blown into the cabin of the car. I'm satisfied that Miss L has sought repairs from a manufacturer approved garage for these issues and those repairs have been unsuccessful.

Given the severity of the issue, I don't consider the car was of satisfactory quality when it was supplied to her. I note Ald says this didn't present itself until around 17 months after the hire agreement started, but I don't think that makes any material difference to whether the car was of satisfactory quality or not. I don't think it is reasonable to expect a fault like that to develop so soon in a brand new car. And, despite attempts to replace components to resolve the problem the issue has persisted.

Ald has provided no persuasive evidence to show that these faults would be reasonable or expected given the age and mileage of the car. I'm persuaded there is likely to be an underlying mechanical problem with the car that was present at the point of supply, albeit it didn't present itself until later. For these reasons, I'm satisfied Miss L is now entitled to reject the car and it would be fair and reasonable for Ald to accept rejection and end the hire agreement without any early termination costs.

I accept that Miss L didn't reach out to Ald for assistance when the emissions issues first developed. And as the trader under the hire agreement, it could be argued that Ald hasn't had an opportunity to try to remedy the problem as is its right under the CRA. However, in this specific case, I don't think in allowing Miss L to reject the car has caused Ald any prejudice or placed it in any different position had Miss L reached out to it sooner.

I say this because in its communications with our service and with Miss L, Ald has made it clear that it relies on the expertise and assistance of the manufacturer approved garages to deal with any mechanical issues. In other words, had Miss L contacted Ald first (as she arguably should have), Ald would simply have directed her to the manufacturer approved garage anyway for diagnosis and repair. As this is what happened, Ald is in broadly the same position now as it would always have been, which is that there has been failed repair attempts and Miss L therefore has a right to reject the car.

I understand there were periods of time where Miss L was without the car due to it being repaired and she didn't receive a courtesy car. If Miss L can provide evidence to Ald of the times she was left without access to a car due to the repairs, Ald should provide a pro-rata refund of the hire rentals she has paid for those periods. Further, Miss L incurred additional costs of £90 and £49.50 for diagnostic reports. These were only incurred due to the car

being of unsatisfactory quality. Ald should therefore also refund those amounts to her.

Lastly, Miss L has been inconvenienced over a prolonged period of time due to the issues with the car. She has had to take it in for multiple repairs, many of which were unsuccessful. I think it's also fair and reasonable that Ald pays her £400 compensation for the distress and inconvenience caused to her as a result of being supplied with a car that wasn't of satisfactory quality.

My final decision

For the reasons given above, I uphold this complaint and direct Ald Automotive Limited to:

- End the hire agreement and collect the car at no cost to Miss L.
- Ald should waive all future rentals under the hire agreement from the point it collects the car from Miss L. It should provide a pro-rata refund (if applicable) to the final rental Miss L pays so that she only pays for the number of days the car was on hire.
- Refund the advance payment Miss L paid on a pro-rata basis so that the advance amount is spread equally across the full term of the hire agreement. She should receive the pro-rated refund for the number of months remaining on the hire agreement.
- On receipt of evidence from Miss L concerning her loss of use of a car, Ald should provide a pro-rata refund of any rentals she paid while she was unable to use the car.
- Refund £139.50 for the additional diagnostics fees Miss L incurred.
- Pay 8% simple interest per year on all of the above refunds from the date Miss L originally made each payment to the date of settlement.
- If on collecting the car Miss L would have been contractually required to pay Ald anything for exceeding a pre-agreed mileage allowance, Ald can deduct that amount from any refund due to Miss L.
- Pay Miss L £400 for any distress and inconvenience caused (no deduction should be made from this specific payment).
- Remove any adverse information (if relevant) that might have been recorded on Miss L's credit file in relation to this agreement from the point she first asked Ald to reject the car.

If Ald considers tax should be deducted from the interest element of my award it should provide Miss L with a certificate showing how much it has taken off so she can reclaim that amount, if she is eligible to do so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss L to accept or reject my decision before 29 December 2025.

Tero Hiltunen
Ombudsman