

## **The complaint**

Mr N complains about a car supplied to him using a hire purchase agreement taken out with Toyota Financial Services (UK) PLC trading as Redline Financial Services (“TFS”).

## **What happened**

In February 2024, Mr N acquired a used car using a hire purchase agreement with TFS. The car was around six years old, the cash price of the car recorded on the agreement was £18,864.01, the agreement was for 60 months, made up of regular, monthly repayments of £314.43. The deposit payment recorded on the agreement was £4,500. The mileage recorded on the agreement for the car was 66,990 miles.

Mr N said he experienced several issues with the car, some of which started immediately after acquiring the car. For example, Mr N said the engine management light (“EML”) appeared on the car’s dashboard on his way home from acquiring the car. Mr N said he informed the supplying dealership that the EML appeared intermittently, but he said they didn’t assist him.

In July 2024, Mr N said a warning appeared in the car in relation to the parking brake and stability control not being available. So, Mr N complained to TFS.

Mr N said that the EML appeared again in October 2024.

In October 2024, TFS sent Mr N their final response to the complaint, where they explained that they didn’t uphold it. They said that the supplying dealership confirmed that there was no record of contact from Mr N since he acquired the car or any visits to their dealership. And so, they recommended Mr N contact the dealership to discuss his options, so they can investigate the issues Mr N said the car had.

Mr N said the car broke down and he was quoted around £4,000 to repair a replacement power transfer unit. Mr N said he tried to make a claim under his warranty provider, but it was declined as the car hadn’t been serviced in line with the manufacturer’s recommended guidelines.

Mr N complained again to TFS about the quality of the car and he also referred his complaint to our service in May 2025.

TFS issued a further final response in July 2025 where they explained that the car had been driven for over one year before Mr N made arrangements for concerns to be investigated by the supplying dealership. And so they thought the issues with the car were likely maintenance issues, rather than faults which were present or developing at the point of supply.

Our investigator proceeded to look into things. He concluded that there were likely faults with the car, but that there wasn’t sufficient evidence to conclude that they were present or developing at the point the car was supplied to Mr N.

Mr N disagreed with the investigator's findings and said the car has since had further issues which has resulted in further estimated repairs costing several thousands of pounds. Mr N strongly felt he was supplied a car that was faulty as he had been supplied it for less than two years and he had driven it less than 10,000 miles.

As Mr N disagreed with the investigator's outcome, the complaint was 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'm not upholding this complaint and I'll explain why below.

I'm aware I have summarised events and comments made by both parties very briefly, in less detail than has been provided, largely in my own words. No discourtesy is intended by this. In addition, if there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is a fair outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as an alternative to the courts.

Mr N complains about a car supplied to him under a hire purchase agreement. Entering into consumer credit contracts such as this is a regulated activity, so I'm satisfied I can consider Mr N's complaint about TFS.

When considering what's fair and reasonable, I take into account relevant law and regulations. The Consumer Rights Act 2015 ("CRA") is relevant to this complaint. The CRA explains under a contract to supply goods, the supplier – TFS here – has a responsibility to make sure goods are of satisfactory quality. Satisfactory quality is what a reasonable person would expect – taking into account any relevant factors.

I would consider relevant factors here, amongst others, to include the car's age, price, mileage and description. So, it's important to note that the car Mr N acquired was used, a little over six years old, had been driven almost 67,000 miles and cost around £18,865. I think a reasonable person would accept that it would not be in the same condition as a new car and was likely to have some parts that are worn.

What I need to consider is whether the car was of satisfactory quality when it was supplied. And in order to do that, I first need to consider whether the car developed a fault.

#### Had the car developed a fault?

Mr N has complained about several issues he says he experienced with the car. Some of which he experienced early on after being supplied the car. Some of which were after a few months.

#### *Error warning messages on the car's dashboard*

It's worth noting that I don't dispute that error warnings appeared on the car's dashboard shortly after Mr N acquired the car. I say this because Mr N has supplied photos which show that there was an EML on the car's dashboard early on and also further warnings in relation to the parking brake and stability control after a few thousand additional miles showing on the odometer. I also don't dispute that Mr N contacted the supplying dealership about these issues.

However, error warnings by themselves don't confirm a specific fault being present with the car. While I appreciate Mr N saying the supplying dealership never responded to him reporting the issues with the car, I think it is reasonable to assume that if the issues with the car caused Mr N significant inconvenience, then he would have continued to contact the dealership, or at the very least, obtained a diagnosis of the issues with the car from a third-party garage. And, in this instance, no job sheets or diagnostics have been supplied to confirm a fault with the car in relation to the EML appearing early on, or in relation to the parking brake or stability control. So, I'm not satisfied there was a fault in relation to them, with the limited information I have seen.

#### *The January 2025 MOT*

Mr N also said that there were other issues with the car, which became apparent after a MOT was completed in January 2025 – almost a year after the point of supply, and after over 6,300 miles had been driven in the car. I'm not satisfied that all the issues identified in the MOT were faults with the car. This is because they weren't confirmed faults, but rather most were recorded as advisories, which should be "*monitored and repaired, if necessary*".

However, I have noted that there was an issue with the car which needed to be repaired immediately, as there was excessive play in the offside front wheel bearing. So, I'm satisfied there was a fault with the front wheel bearing.

#### *The power transfer unit*

Several months after the January 2025 MOT (and where an advisory fluid leak with the rear differential was identified), Mr N said there was an issue with the power transfer unit. I don't think it is in dispute that the car had a fault with the power transfer unit. I say this because Mr N has supplied an email from a garage which confirms that the power transfer unit needed replacing. The email said the repair would cost £3,670.54. So, I'm satisfied that the car had a fault with its power transfer unit, given that it needed replacing.

#### Was the car of satisfactory quality at the point of supply?

While I'm satisfied the car had a fault in relation to its wheel bearing and power transfer unit, I now need to determine whether they were present or developing at the point of supply.

In relation to the wheel bearing, this fault was identified following a MOT test completed to the car almost a year after it was supplied, and after 6,300 miles had been driven. It's worth highlighting the fault to the wheel bearing wasn't identified in the MOT which took place in the same month the car was supplied, in February 2024. Given that almost a year had passed, and several thousands of miles were driven in the car before a fault with the wheel bearing presented itself, I'm satisfied it is unlikely it was present or developing at the point of supply. I think, had it have been present at the point of supply, the previous MOT would have also identified the issue or it would have become apparent much sooner than it had done.

In relation to the power transfer unit. I'm also mindful that no expert testimony has been supplied to confirm that the fault was likely present or developing at the point of supply. I'm also mindful that Mr N has said that he attempted to make a claim under his warranty provider for the repairs that were required to the car, but it was declined due to missed services.

Again, for similar reasons as to the fault with the wheel bearing, I think had there been an issue with the power transfer unit from the point of supply, I think it would have presented itself much sooner than it had done. And given what Mr N has said about missed service

intervals, I think the car has likely failed due to poor maintenance, rather than due to faults which were present or developing at the point of supply, which would have made the car of unsatisfactory quality.

### **My final decision**

For the reasons I've explained, I don't uphold this complaint. So, I don't require Toyota Financial Services (UK) PLC trading as Redline Financial Services to do anything more here.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 31 December 2025.

Ronesh Amin  
**Ombudsman**