

The complaint

Mr and Mrs B complain that a car that was supplied to them under a hire purchase agreement with Mercedes-Benz Financial Services UK Limited, trading as Mercedes-Benz Finance, wasn't of satisfactory quality.

What happened

A new car was supplied to Mr and Mrs B under a hire purchase agreement with Mercedes-Benz Finance in May 2024. The price of the car was £64,060, Mr and Mrs B paid a deposit of £2,478.51 and they agreed to make 48 monthly payments of £932.76 to Mercedes-Benz Finance. There was also an optional purchase payment of £27,300.

There were some issues with the car so Mr and Mrs B complained to Mercedes-Benz Finance in December 2024 and said that they were rejecting it. Mercedes-Benz Finance said that the car's control unit was replaced in January 2025 and that, after the car was then returned to it, the dealer had confirmed that the car was fixed, so it was unable to accept a rejection of the car. It offered to pay Mr and Mrs B £250 for the distress and inconvenience that they may have been caused.

Mr and Mrs B weren't satisfied with its response and they sold the car back to the dealer and entered into another finance agreement with Mercedes-Benz Finance for a different car. They also complained to this service and said that they'd like the compensation for the car that they would have received had their rejection been accepted and for the negative equity that they had to pay to change cars to be refunded to them.

Their complaint was looked at by one of this service's investigators who, having considered everything, didn't recommend that it should be upheld. He didn't think that Mr and Mrs B would have had the right to reject the car when they asked to and he thought that it was reasonable for the car to be repaired. He thought that the amount of compensation that Mercedes-Benz Finance offered was fair.

Mr and Mrs B didn't accept the investigator's recommendation and have asked for their complaint to be escalated to an ombudsman. Mr B says that the serious and ongoing issues with the car haven't been afforded the weight they warrant, and the car was returned to the dealer multiple times for repairs which didn't resolve the underlying issues and contravenes the Consumer Rights Act 2015. He also says that, in other decisions issued by this service when cars were found not to have been of satisfactory quality, the outcomes were considerably more proportionate to the issues raised.

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.

Mercedes-Benz Finance, as the supplier of the car, was responsible for ensuring that it was of satisfactory quality when it was supplied to Mr and Mrs B. Whether or not it was of satisfactory quality at that time will depend on a number of factors, including the age and

mileage of the car and the price that was paid for it. The car that was supplied to Mr and Mrs B was a new car and I consider that it was reasonable for them to expect that it would be free from even minor defects.

Mr and Mrs B say that a few weeks after the car was supplied to them it lost power and stopped so was restarted and it was taken back to the dealer, but it couldn't detect a fault. Mr and Mrs B have described in their complaint form the issues that they had with the car in December 2024 and which led to them calling out a roadside assistance service. They've provided the dealer's invoice from January 2025 which says that 41 fault codes were found and the control unit was replaced. The car's mileage is shown on that invoice as 7,408 miles.

Within a few days of the car being collected from the dealer, Mr and Mrs B say that a warning light came on telling them to stop the car so they called out the roadside assistance service again and it said that the battery wasn't producing enough power. The car was returned to the dealer and it corrected that issued, performed a vehicle health check and said that the car was fixed. Mr and Mrs B say that they had zero confidence in the car due to the large number of faults encountered so felt that they had no option but to obtain a new car and had to pay over £10,000 negative equity on the faulty car which they sold back to the dealer.

There have clearly been some issues with the car, and I appreciate that that will have been disappointing and upsetting for Mr and Mrs B, but I've seen no evidence to show that there were any issues with the car when it was returned to Mr and Mrs B for the second time in January 2025. As the car had been used for more than six months and had been driven for 7,408 miles before the control unit was replaced, I consider that it was fair and reasonable for the car to be repaired at that time and Mr and Mrs B accepted the repair.

The investigator said that the issue in contention was whether Mercedes-Benz Finance should have supported rejection of the car when a new issue arose with the car's battery. He said that it would still need to be established whether that issue contributed to the car being of unsatisfactory quality and he wasn't persuaded that the second January 2025 invoice provided conclusive information around what the fault was, the origins of the fault, and which party would be liable for repairing any fault.

Mr B says that under the Consumer Rights Act, a consumer who has the right to reject may only do so after one repair, but the car was returned to the dealer multiple times for repairs, none of which resolved the underlying issues. The car's control unit was replaced in January 2025 and Mr B called out the roadside assistance service within a few days of the car being returned to him. The record of that call out says that the claim was for: *"Red Battery Warning Light"*; but doesn't provide any further information about any issue with the car.

The dealer's invoice for the warranty work that was performed when the car was returned to it refers to various checks that were made, disconnecting and connecting a battery line and says: *"Front prefuse box Replace"*; and: *"Resetting of the actuator motors"*. I'm not persuaded that the evidence from the roadside assistance service and dealer is enough to show that there was a fault with the car at that time that was present when the car was supplied to Mr and Mrs B or that caused the car not to have been of satisfactory quality at that time. As they made the decision to sell the car back to the dealer, they're now not able to provide any such evidence.

Mr B has referred to decisions issued by this service on other complaints about cars that were found not to have been of satisfactory quality in which he says that the outcomes were considerably more proportionate to the issues raised. This service considers each complaint on its individual merits and, for the reasons given above, I'm not persuaded that there's enough evidence to show that there was a fault with the car when it was returned to the

dealer after the control unit had been replaced that was present when the car was supplied to Mr and Mrs B and that it caused the car not to have been of satisfactory quality at that time.

Although Mercedes-Benz Finance said that it was unable to accept a rejection of the car, it offered to pay Mr and Mrs B £250 for the distress and inconvenience that they may have been caused. I consider that to have been a fair and reasonable offer. If Mr and Mrs B haven't received that compensation from Mercedes-Benz Finance and now want to accept its offer, they should contact Mercedes-Benz Finance.

I've carefully considered all that Mr and Mrs B have said and provided about their complaint and I appreciate that my decision will be disappointing for them. I'm not persuaded that there's enough evidence to show Mercedes-Benz Finance has acted incorrectly in these circumstances. I find that it wouldn't be fair or reasonable for me to require Mercedes-Benz Finance to take any action in response to their complaint.

My final decision

My decision is that I don't uphold Mr and Mrs B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B and Mrs B to accept or reject my decision before 1 December 2025.

Jarrold Hastings
Ombudsman