

The complaint

Mr G complains that RCI Financial Services Limited trading as Mobilize Financial Services ("RCI") refused to let him reject a faulty car.

What happened

In October 2023 Mr G acquired a second-hand car costing £14,199. It had covered 13,600 miles and was funded by a hire purchase agreement with RCI.

Soon after Mr G encountered problems with the gearbox and on 17 November 2024 after the car having covered 17,259 miles a repair was completed under warranty. It appears that the gearbox reductor had to be replaced due to a hole. On 4 March 2025 at 18,701 miles a repair was completed to the gearbox bracket alongside some other repairs. This was done at another dealer under warranty.

In February 2025 Mr G contacted RCI and asked to return the car. It said that he had had the car repaired under warranty and it didn't consider it need do anything more. Mr G brought his complaint to this service and it was considered by one of our investigators who considered it should be upheld in part. He agreed there had been faults with the car, but these had been resolved under warranty. He believed the car had not been of satisfactory quality. However, he didn't believe Mr G had the right to reject the car as he had accepted the repairs.

He noted Mr G had been without it for two periods and he recommended RCI refund his rental for those periods and pay him £100 compensation. Mr G didn't agree and suggested he receive greater redress to include his insurance costs.

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.

When the evidence is incomplete, inconclusive or contradictory as some of it is here – I've reached my outcome on the balance of probabilities – that is, what I consider likely to have happened given the available evidence and the wider circumstances.

I want to acknowledge that I've summarised the events of the complaint. I don't intend any discourtesy by this – it just reflects the informal nature of our service. I also want to assure Mr G that I've reviewed everything on file. If I don't comment on something, it's not because I haven't considered it. It's because I've concentrated on what I think are the key issues. Our powers allow me to do this.

I have every sympathy with Mr G but I do not consider he is entitled to further redress. I will explain why.

Under Section 56 of the Consumer Credit Act, finance providers can be held liable for what the credit broker and seller say about the goods (vehicle) before the regulated credit

agreement is entered into by the consumer and before the purchase is made.

This refers to 'antecedent negotiations'. This means if Mr G entered a credit agreement for a vehicle and it turns out something he was told about the agreement by the credit broker, which induced him into entering the contract, was false, the broker can be held responsible for the actions of the broker under certain circumstances.

The Consumer Rights Act 2015 is relevant to this complaint. This says that goods must be of satisfactory quality when supplied. Cars are of satisfactory quality if they are of a standard that a reasonable person would regard as acceptable, taking into account things such as the age and mileage of the car and the price paid. The legislation says that the quality of the goods includes their general state and condition, and other things like fitness for purpose, appearance and finish, freedom from minor defects, safety and durability.

The car supplied to Mr G was second-hand, so I'd expect it to have a degree of wear and tear and to require more repairs and maintenance than, say, a brand new car. So, in order to uphold this complaint, I would need to be persuaded that there was an inherent fault with the car at the point of supply, as opposed to a fault which occurred due to general wear and tear.

It is clear there was an issue with the gearbox and this was addressed under warranty. It seems that this repair needed further attention and this was also dealt with under warranty by a different dealer. Mr G accepted those repairs and only in February 2025 did he contact RCI.

Having accepted the car wasn't of satisfactory quality I have to consider what is the fairest means of addressing that fact. I am satisfied that having had the car repaired at no cost to Mr G is the most reasonable way of putting matters right.

If he had contacted RCI before any repairs were carried out then I can see that rejection may have been an option, but given that did not happen I don't think it is necessary. What I have to decide is what is the fairest outcome for both parties and now that the car is repaired I see no grounds for allowing Mr G to reject it. That said Mr G did suffer the inconvenience of not having his car.

I agree that RCI should refund his rental costs for those periods while the car was being repaired.

Putting things right

I consider RCI should:

- pay a refund of rentals for the period of 27 September 2024 to 8 November 2024 and 27 January 2025 to 31 January 2025.), to cover any loss of use, or impaired use, of the car because of the inherent quality issues;
- pay 8% simple yearly interest on these refunded amounts from the date of payment until the date of settlement;
- pay £100 for any distress or inconvenience that's been caused due to the faulty goods.

My final decision

My final decision is that I uphold this complaint and I direct RCI Financial Services Limited trading as Mobilize Financial Services to pay redress as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 28 November 2025.

Ivor Graham
Ombudsman