

The complaint

Mrs G is unhappy that a car supplied to her under a hire agreement with RCI Financial Services Limited trading as Mobilize Finance (RCI) was of an unsatisfactory quality.

What happened

In January 2025 Mrs G was supplied with a new car through a hire agreement with RCI. She paid an advance payment of £1,362.31 and the agreement was for 24 months; with 23 monthly payments of £227.05.

She said that in March 2025, after just 36 days and 991 miles driven, the car broke down due to an engine failure. The breakdown recovery engineer confirmed the fault and warning lights were present, and said the main issue was with an engine mass air flow sensor.

Mrs G said it took four days for the supplying dealer to provide her with a courtesy car. She said this wasn't suitable for her as it used more petrol. She said she asked to reject the car after waiting six weeks for it to be repaired.

The car was repaired and returned to her. But in May 2025 she said there was a problem with the car due to a noise coming from the engine. The car had done 1,517 miles. She said a breakdown recovery engineer told her not to drive the car until it had been repaired.

She said the manufacturer refunded her one monthly payment, and RCI had also refunded one payment to her. But she said she wanted to reject the car as the dealer had its one opportunity to repair it.

RCI said that the car broke down on 13 March 2025 requiring the air flow meter and associated wiring to be replaced. They said the manufacturer covered the cost of recovery and arranged a courtesy vehicle throughout the repair. They said the car was repaired on 29 April 2025.

RCI confirmed that the manufacturer offered a goodwill gesture covering one month's finance payment (£227.05) and taxi costs, and they matched this with an additional month's finance reimbursement (£227.05).

RCI said that Mrs G later raised concerns about engine noise during power transitions. RCI said the manufacturer clarified that such noise was normal for this type of hybrid car, particularly when switching between electric and combustion modes.

RCI said that when the recovery service attended on 23 May 2025 no faults were identified, nor were any error codes found. They said the car passed all tests. They said that Mrs G had reported a single instance where the engine had cut out. They said this could not be verified, and she was advised the car was safe to drive to a dealership for further diagnostics.

They said there was no evidence that there was a fault with the car.

They said they arranged for the car to be inspected at various dealerships, but they said Mrs G declined to drive the car there, despite the recovery service assuring her it was safe to drive.

RCI said the manufacturer offered to recover the vehicle and provide a courtesy car, but this was also declined by Mrs G.

RCI said the manufacturer increased their goodwill offer to £249.75 to reflect additional taxi costs, and RCI wrote off £250.25 from arrears. This reduced the outstanding balance from £681.15 to £181.15, with an agreement from Mrs G to clear the remaining amount via bank transfer.

They said the agreement remained in arrears.

Mrs G was unhappy with this response, so she referred her complaint to our service for investigation. She said that RCI say they won't accept her rejection of the car because it needs to go back to a dealer for further diagnostic and repair.

She said she has provided RCI with a breakdown report that advised her not to drive the car, and this confirmed there was still a fault with the car after the initial repair. She said she has the right under The Consumer Rights Act 2015 to reject the car as it has had one repair, and she doesn't need to allow multiple diagnostics and repairs. She said she had not driven the car since the recovery service advised her not to.

Our investigator suggested an independent diagnostic report would be useful and RCI agreed to arrange this.

The car was inspected by an independent engineer on 16 September 2025. He concluded that there was excessive engine noise, and this was due to a dislodged engine bay grommet, likely detached during previous repairs. He also reported a loud clicking from the rear wheels.

RCI said the report did not conclude there was a fault with the car. They said a grommet was dislodged, likely from the previous repair. They also acknowledged that the engineer reported a clicking noise from the rear wheels. They said they would not allow our service to investigate this as it did not form part of Mrs G's original complaint.

Our investigator said he had considered the breakdown report and the report from the independent engineer, and he was satisfied that there was a fault with the car. He said it was clear from the inspection report that there was a further fault with the car which required further inspection and repairs.

He said that Mrs G didn't want repairs done, so she should be allowed to reject the car.

RCI didn't agree with the investigator. They said there was no evidence that the engine noise was due to a manufacturing defect. They said the report said this was due to an issue that had occurred during the previous repair. They said this would not constitute a failed repair as it did not relate to the previous issue.

They said it would be fairer to allow the dealer to correct their error in relation to the grommets or be allowed to establish the cause of this if the report is not correct, and Mrs G to be provided with a level of compensation for the inconvenience. They said they didn't feel a rejection of the car was neither fair nor relevant in this case.

Because RCI didn't agree, this matter has been passed to me to make a final 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.

Having done so, I've reached the same overall conclusions as the investigator, and for broadly the same reasons. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome. Where evidence has been incomplete or contradictory, I've reached my view on the balance of probabilities – what I think is most likely to have happened given the available evidence and wider circumstances.

In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and (if appropriate) what I consider was good industry practice at the time. Mrs G was supplied with a car under a hire agreement. This is a regulated consumer credit agreement which means we are able to investigate complaints about it.

The Consumer Rights Act 2015 (CRA) covers agreements such as the one Mrs G entered into. Under this agreement, there is an implied term that the goods supplied will be of satisfactory quality. The CRA says that goods will be considered of satisfactory quality where they meet the standard that a reasonable person would consider satisfactory – taking into account the description of the goods, the price paid, and other relevant circumstances.

Here, I'll consider that the car was new. So, I think a reasonable person would expect trouble free motoring for some time.

It's not disputed there was a problem with the car RCI supplied to Mrs G, nor that this fault was present when the car was supplied to her. The car broke down on 13 March 2025 after the car had done just 991 miles.

It was recovered to a garage, and the air flow meter and related wiring were replaced on 29 April 2025. Mrs G was provided with a courtesy car for most of the period the car was in for repair.

Mrs G said she wanted to exercise her short term right to reject the car because it was faulty. But she has told us she'd had the car for 36 days when it broke down. Because this was outside the 30 days right to reject, RCI had a chance to repair the faulty car. So the repair was the correct remedy at this point.

But the car failed again on 23 May 2025. I need to consider whether or not there was a fault at this point.

RCI said there was not a fault with the car. I disagree. I've considered the initial comments from the recovery service, and the report from the independent engineer. I'm persuaded by their observations that there was a fault with the car.

The recovery service said there was a loud noise coming from the engine bay when changing from the petrol engine to electric mode. It also advised that the car shouldn't be driven until further diagnosis had been carried out. I accept that it also said it was okay to drive the car to the dealer for inspection. But it warned against driving any more than this. I think that was because it was concerned there was a fault with the car.

RCI said the manufacturer said the noise when changing drive modes was normal. I agree that there would be a change in engine noise when the car changed from electric to petrol mode. But the independent engineer described the engine noise as "*excessive and not*

typical for this vehicle type". So, I'm persuaded that the noise was indicative of a fault, and not the normal acceptable increase in volume.

The engineer stated that the noise was likely due to the "*large bulkhead grommet*" he found dislodged. He said this suggested the grommet had been either dislodged or removed during the previous repair.

The engineer also confirmed his duty was to the courts, not to the person who instructed or paid for the report. As such, I'm satisfied his report is reasonable to rely upon.

So it appears to me that the earlier repair failed. That's because the car was still faulty, as evident from the excessive noise – and the independent engineer has linked the excessive noise to the previous attempted repair.

The independent engineer also reported a loud clicking from the rear drive wheels. He said this required further investigation to determine the cause. But he did identify an issue that I'm persuaded is a fault with the car. That's because it is not a noise you would expect to hear, especially in a new car that had done only 1,500 miles.

Single Chance at Repair

Section 24(5) of the CRA says

*"a consumer who has ... the right to reject may only exercise [this] and may only do so in one of these situations –
(a) after one repair or replacement, the goods do not confirm to contract.*

This is known as the single chance of repair. This applies to all issues with the goods, and to all repairs i.e., it's not a single chance of repair for the dealership AND a single chance of repair for RCI – the first attempted repair is the single chance at repair.

What's more, if a different fault arises after a previous repair, even if those faults aren't related, the single chance of repair has already happened – it's not a single chance of repair per fault.

As I've explained above, the excessive noise arising from the detached grommet persuades me that the first repair failed. The CRA is clear that, if the single chance at repair fails, as was the case here, then the customer has the right of rejection.

I'm also persuaded that the loud clicking from the rear wheels is a different fault, and, as set out above, the CRA says the single chance of repair has already happened. RCI said this is a new issue requiring further investigation by them. Again I disagree – the CRA is clear that they have had their opportunity to repair the car, and they don't get another chance of repair for a new fault.

So I'm satisfied that it's reasonable that RCI allow Mrs G to reject the car as it is not of a satisfactory quality, and RCI has had the opportunity to repair the car, and that repair failed. That's clear from the breakdown in May 2025, the subsequent advice not to drive the car, and the findings of the independent engineer that there was a fault with the car.

Putting things right

Mrs G Customer was provided with a courtesy car to keep her mobile while the car was being repaired following the initial breakdown in March 2025. Because of this, I think it's only

fair that she pays for this usage. I understand RCI and the manufacturer have already paid Mrs G compensation for this period. I think that was fair and reasonable remedy.

Payment Refund

Mrs G said she hasn't used the car since it broke down on 12 May 2025. I think it was reasonable for her to stop using the car due to the excessive noise and her fear that it would breakdown, leaving her and her young family stranded.

RCI didn't supply her with a courtesy car. As such, she was paying for goods she was unable to use. As, for the reasons I've already stated, I'm satisfied the car was off the road due to it being of an unsatisfactory quality when it was supplied, and as RCI failed to keep Mrs G mobile; I'm satisfied they should refund any payments she made since 12 May 2025.

The mileage at that point was 1,522 miles. If Mrs G has used the car, and the mileage is now greater than that, then it is reasonable that RCI adjust my award to reflect that usage.

Distress & Inconvenience

It's clear that Mrs G has been inconvenienced by having to arrange for alternative transport whilst she was unwilling to drive the car. She has also described the increased stress and anxiety this has caused her. I think this wouldn't have happened had RCI supplied her with a car that was of a satisfactory quality. So, I think RCI should pay her £150 in compensation to reflect the distress and inconvenience caused.

Therefore, RCI should:

- end the agreement with nothing more to pay;
- collect the car at no cost to Mrs G;
- remove any adverse entries relating to this agreement from Mrs G's credit file;
- refund, on a pro-rata basis, the advance payment for spread rentals (so Mrs G isn't paying for any period she won't be hiring the car);
- refund any monthly payments made for the period since 12 May 2025 to the date of settlement;
- apply 8% simple yearly interest on all the refunds above, calculated from the date Mrs G made the payment to the date of the refund[†]; and
- pay Mrs G an additional £150 to compensate her for the distress and inconvenience caused by being supplied with a car that wasn't of a satisfactory quality.

[†]If RCI considers that tax should be deducted from the interest element of my award, they should provide Mrs G with a certificate showing how much they have taken off so she can reclaim that amount, if she is eligible to do so.

My final decision

For the reasons explained, I uphold Mrs G's complaint about RCI Financial Services Limited trading as Mobilize Finance and they are to follow my directions above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs G to accept or

reject my decision before 9 December 2025.

Gordon Ramsay
Ombudsman