

## The complaint

Mr I complains that Hyundai Capital UK Limited (“HC”) refused to allow him to reject a car and sought to charge him an early termination fee when he ended his finance agreement.

## What happened

In September 2021 Mr I acquired a new car funded by a contract hire agreement with HC lasting 48 months. In February 2025 the car was stolen from Mr I’s driveway and later recovered having suffered some damage.

Mr I has explained that the car was stolen with relative ease and he says that the model is susceptible to security vulnerability. He believes this has attracted criminal attention to his home and he also says that his insurance premiums have increased as a result of the theft. He complained to HC and it said that it was not aware of any security flaws.

Mr I disagreed and has supplied numerous articles and online comments about the security issues of the particular model. He contacted the manufacturer which responded to him saying this was an industry wide issue. He has explained that this is not a wider issue, but is due to ‘poor implementation of cryptography in the vehicles security system itself’. He says the manufacturer has been aware of this problem for some time and more recently has offered an upgrade at a cost of £49 to address the issue.

He has told us that the model is one of the most stolen vehicles in the UK. He believed HC had a duty to notify him of this defect and it must have been aware of the problem despite its protestations to the contrary. He also believed HC, which was connected to the manufacturer, had not taken his complaint seriously and it failed to acknowledge its responsibility as the finance provider.

Mr I brought his complaint to this service where it was considered by one of our investigators who didn’t recommend it be upheld. He said he had not seen any evidence, such as an independent report, that Mr I’s car was faulty. He noted a security upgrade had been offered by the manufacturer but that did not mean the car was faulty at the point of sale.

Given he did not think the car was faulty he considered it was open to HC to charge Mr I a termination fee in line with the terms and conditions of the agreement. Furthermore he did not consider it was HC’s responsibility to cover the cost of any insurance premiums.

Mr I didn’t agree and supplied more articles and online comment about the car’s security system. He said HC had an ongoing duty to act fairly and notify customers about issues. It should have been aware of concerns about the car security problems and notified customers. He considered it had not met FCA principles and he believed it was connected with the manufacturer and had coordinated with it. Nor did he think that HC could rely on there being no manufacturer recall. He also asked that we conduct a detailed investigation into HC and the manufacturer.

## **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 I 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 should make it clear that the role of the Financial Ombudsman Service is to resolve individual complaints and to award redress where appropriate. I do not perform the role of the industry regulator and I do not have the power to make rules for financial businesses or to punish them. I mention this because Mr I has asked that we look more widely at HC's actions. As such I will be restricting my decision to Mr I's complaint about the handling of his request to terminate his contract by HC.

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 I 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 I was new and 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.

Mr I's fundamental point is that the security system on the car is easily overcome by thieves and the manufacturer is responsible for that and this means the car was not of satisfactory quality. Many different makes of car are stolen, but Mr I says his model was particularly susceptible due to the way the security system operated. He has not suggested his particular car was different from other similar cars, but that the security system in all cars of this model were faulty.

I have also noted that the recent evidence online shows that this model was the most stolen electric vehicle with 1.3% of models on the road having been taken. In my view, that does not, of itself, indicate a systemic fault.

I gather the car was compliant with UK security standards and it follows that Mr I's car was also compliant since he has not said that it had a particular fault. To uphold Mr I's complaint I would have to be satisfied that despite meeting regulatory requirements the car was faulty. I

do not consider I can reach that conclusion despite the anecdotal evidence and other material Mr I has supplied.

All makes and models of cars can be stolen and security systems vary in type and effectiveness. Also desirability has an impact on the types of car stolen. While thieves may have found a way to circumvent the security on the car that does not mean that it was faulty at the point of sale. I believe security systems on many cars are evolving and in this case the manufacturer has responded by issuing an upgrade.

As I have said no car is safe from theft and I cannot say the security system on Mr I's car was such that it can be said to have been inherently faulty. Nor did the manufacturer, nor indeed does any manufacturer claim that their cars cannot be stolen. It is regrettable that theft takes place, but that does not mean that responsibility for theft lies with the manufacturer. So, while I appreciate the arguments put forward by Mr I I do not consider I can say that HC was wrong to reject his request to terminate the agreement without penalty.

I have every sympathy with Mr I but I do not consider I can uphold his complaint.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr I to accept or reject my decision before 20 February 2026.

Ivor Graham  
**Ombudsman**