DRN-5934203

Financial Ombudsman Service

The complaint

Mr E complains about a car supplied under a hire purchase agreement, provided by SECURE TRUST BANK PUBLIC LIMITED COMPANY trading as V12 Vehicle Finance ('V12').

What happened

Around September 2024 Mr E acquired a used car under a hire purchase agreement with V12. The car is listed with a cash price of £8,395 on the agreement, was around eight years old and Mr E said it had covered around 61,317 miles. The credit agreement shows Mr E paid a deposit of £500.

Unfortunately, Mr E says the car developed issues. He said he noticed straight away that the car vibrated and 'wobbled' over 40 mph. He told the dealer he thought the car had other 'hidden faults'.

On 13 October 2024 Mr E contacted the dealer and told them the car was overheating, and he mentioned that when he collected the car the 'reservoir' was empty. The dealer told him it would book an appointment at a local garage or said Mr E could arrange a repair himself which would be reimbursed.

Mr E then took the car to a main dealer for a repair at the end of October 2024. On 18 November 2024 Mr E says the car was ready to collect and received an invoice for £1,800. The dealer then told Mr E it wasn't reasonable for him to have had the car repaired at a main dealer and said it wouldn't cover the cost.

Later in November 2024 Mr E then complained to V12. He said he was *"no longer interested in this car anymore".*

In January 2025 V12 said it was still looking into the complaint and said Mr E had a right to refer the complaint to our service.

Mr E remained unhappy and referred the complaint in February 2025. He described the impact the situation had on him and his family and said he wanted to reject the car. He explained he had acquired a second car and so was paying twice for tax and insurance.

V12 explained to our service that it was arranging for the car to be recovered from the garage to Mr E and was arranging for the repair bill to be reimbursed to him. It told Mr E about this in mid-March 2025.

V12 then issued a final response to the complaint in April 2025. It said, in summary, that it was upholding the complaint, but it didn't think Mr E had a right to reject the car. It explained Mr E's car had been collected and the bill from the repairing garage had been settled. It offered to reimburse the monthly payments Mr E made towards the car from December 2024 to February 2025. It said the car was at a safe location and asked Mr E to call it to arrange delivery back to him.

Mr E said he didn't accept the outcome put forward by V12. And, in summary, he said he wanted to reject the car.

Our investigator issued a view and upheld the complaint. She said, in summary, that she thought the car was not of satisfactory quality when it was supplied. She thought Mr E didn't have a right to reject the car, and she thought the fact it was repaired broadly met Mr E's rights. But, she explained V12 should reimburse him payments from 18 November 2024 until February 2025. And she said it should pay Mr E £250 to reflect what happened.

V12 said it accepted the outcome and explained the car was being held at a secure location.

Mr E didn't agree. In summary, he said he'd lost confidence in the car and thought it may have underlying issues that hadn't been repaired. He wanted to be reimbursed for the tax and insurance from the car. He asked about additional travel costs during the time he was without the car. And he said £250 didn't capture the true impact on his life.

Our investigator explained there was no evidence the car hadn't been repaired properly. And she said what else Mr E said didn't change her opinion.

Mr E remained unhappy. So, the complaint was passed to me to decide.

I sent Mr E a provisional decision on 10 October 2025. My findings from this decision were as follows:

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 think this complaint should be upheld. I'll explain why.

I may not comment on every piece of evidence nor argument raised in this decision. I want to reassure Mr E and V12 that I've carefully thought about all of the information. But I'm going to focus on what I think are the key facts and the crux of this complaint. This reflects the informal nature of our service.

When considering what's fair and reasonable, I take into account relevant law, guidance and regulations. The Consumer Rights Act 2015 ('CRA') is relevant to this complaint. This says, in summary, that under a contract to supply goods, the supplier – V12 here – needed to make sure the goods were of 'satisfactory quality'.

Satisfactory quality is what a reasonable person would expect, taking into account any relevant factors. I'm satisfied a court would consider relevant factors, amongst others, to include the car's age, price, mileage and description. The CRA also explains durability of goods can be considered as part of satisfactory quality.

So, in this case I'll consider that the car was used, had covered over 60,000 miles and cost around £8,400. This means I think a reasonable person would not expect the car to be in the same condition as a newer, less road worn one. But, I still think they would expect it to be free from anything other than relatively minor defects and would expect trouble free motoring for some time.

In this case, it seems all parties agree the car wasn't of satisfactory quality. So, I don't intend to go into detail here, other than to say I agree this was the case and I'm satisfied a reasonable person would not have expected the car to have required the repairs it did so soon after Mr E got it.

This then brings me to the crux of the complaint, which is what would be reasonable to put things right.

It's firstly worth noting that all parties agree that the dealer initially agreed to cover the cost of repairing the car.

It also isn't in dispute that the car was repaired – and I've seen a copy of an invoice dated 18 November 2024. The mileage was noted as 62,664. This was for the replacement of the headgasket, water pump and cambelt, and came to £1,800.

I've considered what this means for Mr E's rights under the CRA. I appreciate he asked to reject the car shortly after it was repaired. Under the CRA, I'm satisfied Mr E had a right for the car to be repaired, but immediately following the repair, I'm satisfied he did not have the right to reject.

So, at a quick glance, it appears in broad terms Mr E's rights might have been met. But, this doesn't tell the whole story here.

The CRA explains:

"If the consumer requires the trader to repair or replace the goods, the trader must—

(b)bear any necessary costs incurred in doing so"

Here, I'm satisfied that the cost of the repair was only covered by V12 several months after it took place, during which time Mr E didn't have the car. This means I find his rights weren't met at the time of the repair.

The above section of the CRA also states in relation to a repair that the trader must:

"(a)do so within a reasonable time and without significant inconvenience to the consumer"

Mr E has gone into some detail about the impact being without a car has had on him and his family. He's explained this has affected his work and social life, and ultimately resulted in him having to acquire a second car. Thinking about this, as above I'm satisfied not covering the cost of the repair meant Mr E's rights under the CRA were not met. And I'm satisfied by the time these costs were met, this was clearly not in a reasonable time nor without significant inconvenience to Mr E.

Thinking about this, while I found above Mr E didn't initially have a right to reject, I'm satisfied he did have a right to reject at some point later. Key here, I'm satisfied by the time he referred the complaint to our service and again asked to reject the car, he did have this right under the CRA. And I'm satisfied V12 was aware of him exercising his right to reject before it arranged for the car to be collected.

In addition to the above, I also need to consider what would be fair and reasonable. I think it's fair to say the reason Mr E didn't collect the car was due to the outstanding bill, which all parties agree the dealer said would be paid. So I think he's acted reasonably. And I don't think it would now be right to make Mr E take the car back, when he explained he's acquired a different one, around a year after it broke down and when it has now been sat unused for a very significant period.

Thinking about all of this, I find it reasonable Mr E is now able to reject the car.

I've then considered what else needs to be done to put this right. Mr E has had no use of the

car since 29 October 2024 when he explained it was given to the garage for a repair. So, I find V12 needs to reimburse all payments to the agreement since that point. Mr E has mentioned additional travel costs, but I've not seen evidence of these. Based on the limited information I have, I'm satisfied the reimbursement of monthly amounts due should cover Mr E's reasonable travel expenses.

Mr E asked to be reimbursed costs for tax and insurance for the car. Whatever happened, he was always going to have to tax the car. And insurance mitigated risk, which was still present even when he didn't have the car, so I find he had benefit of this. But, Mr E explained he acquired a second car, meaning presumably he has been paying for these costs twice, which he would not have had to do had things gone as they should.

However, I don't have evidence of this. So, Mr E will need to provide proof he acquired a second car and when. And he will need to show evidence of the costs for tax and insurance. If he does this, I will likely ask V12 to reimburse him these costs, after the point he acquired a second car.

I'm satisfied Mr E has suffered distress and inconvenience because of what happened. I think it must have been extremely frustrating to realise the cost of the repair wasn't being covered. This meant he was without his car for months. And he's explained he had to take the time and effort, as well as the expense, of getting a second car.

Our service's approach to distress and inconvenience can be found on our website. Having thought about this, I find V12 should pay Mr E £400 to reflect what happened.

Finally, I've noted an email chain between V12 and the broker of the finance where V12 pointed out, months before it settled the repair bill, that it thought it would be reasonable to unwind the agreement and explaining it believed our service would uphold this complaint if it was referred. I would, politely, remind V12 that it is the supplier of the goods here and it is responsible for putting things right under the CRA, not the broker. So, respectfully, it should have been up to V12 to decide whether or not to have upheld the complaint at this point.

I gave both parties two weeks to come back with any further comments or evidence.

V12 responded and explained it had nothing further to add.

Mr E responded and said he accepted the decision. But, he explained he hadn't in fact acquired a second car and instead had resumed use of a car he already owned, that was previously SORN. He provided evidence of costs of tax and insurance for the cars.

I asked Mr E to provide evidence of when the car he already owned had been SORN. He showed this was in December 2024 and he explained he put the car back on the road in January 2025.

Mr E also said he paid £667 to the dealer when he acquired the car. And he said the car had around £2,000 worth of personal items left in it, which he said V12 should return.

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.

I've thought about what Mr E said in response to my provisional decision.

I want to reassure him I've carefully considered the situation, but I find already having

possession of a second car is significantly different to buying one because of the issues explained above.

I've also considered the timings here – while I've noted what Mr E said about this, the car was SORN in December 2024 and put back on the road around a month later.

In my provisional decision I explained V12 only needed to reimburse the costs for tax and insurance if Mr E showed proof he acquired a second car and when. I find he has not done so. Having thought about everything, I now don't find it reasonable V12 pays for these costs under the circumstances I'm now aware of.

I have considered whether this impacts the amount of compensation I think V12 should pay Mr E for the distress and inconvenience caused. But I still think £400 fairly reflects things.

Mr E said the deposit paid was £667. However, the invoice for the car states £500 and this is also reflected on the credit agreement. I think it's most likely any additional amount paid was for a separate cost such as tax, and so V12 do not need to reimburse an amount over £500 here.

Mr E said he had £2,000 worth of personal possessions in the car and asked for these to be returned. I've thought about this, but I haven't seen any evidence, and I'm not persuaded it's most likely Mr E left thousands of pounds worth of items in the car.

I'd politely *ask* V12 to return personal items to Mr E from the car, if any were present, but I need to be very clear I am not instructing it to take any action here.

I've thought about all the other points made and all of the information on the case again. Having done so, I still think it should be upheld. And the above aside, I still think what I set out in my provisional decision is fair and reasonable under the circumstances to put things right.

My final decision

My final decision is that I uphold this complaint.

I instruct SECURE TRUST BANK PUBLIC LIMITED COMPANY trading as V12 Vehicle Finance to put things right by doing the following:

- end the finance agreement ensuring Mr E is not liable for monthly rentals after the point of collection (it should refund them any overpayment for these if applicable);
- take the car back (if that has not been done already) without charging for collection;
- Reimburse Mr E's deposit of £500*
- Reimburse all payments to the agreement made past 29 October 2024*;
- Pay Mr E £400 to reflect the distress and inconvenience caused and;
- Remove any adverse information from Mr E's credit file in relation to the agreement

* These amounts should have 8% simple yearly interest added from the time of payment to the time of reimbursement. If V12 considers that it's required by HM Revenue & Customs to withhold income tax from the interest, it should tell Mr E how much it's taken off. It should also give Mr E a tax deduction certificate if he asks for one, so he can reclaim the tax from

HM Revenue and Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr E to accept or reject my decision before 4 December 2025.

John Bower
Ombudsman