

The complaint

Mr M has complained about the quality of a car provided on finance by Toyota Financial Services (UK) PLC (“TFS”).

What happened

Both parties are familiar with the circumstances of this complaint, so I’ll briefly summarise them here. TFS supplied Mr M with a used car on a hire purchase agreement in June 2024. The cash price of the car was around £19,100 and it had covered around 50,100 miles since first registration in December 2017. The hire purchase agreement required payments of around £370 for 60 months, and Mr M paid a deposit of £2,000.

In January 2025 Mr M complained to TFS about several issues with the car. He said that the drivers sun visor was cracked and the passenger side front wheel was cracked. He also said that the car hadn’t been serviced adequately and he’d been misinformed about the service history. He said he’d asked to reject the car with the dealer, who I’ll call AC, on three occasions. He said he was unhappy to pay for a substandard car.

TFS initially looked into the quality issues but didn’t think there was sufficient evidence to demonstrate the problems were inherent when the car was supplied. TFS said that the car wasn’t advertised or sold with a full service history. It also said it couldn’t answer for the service provided by AC. It ultimately didn’t uphold the complaint and issued final responses on that basis in February and April 2025.

Mr M referred his complaint to the Financial Ombudsman. He said that he’d had issues with the car more or less right away and AC had delayed him until he was outside the timeframe to return the car. The car hadn’t been serviced in three years and should have also had two Haldex services, which made it dangerous. He indicated that there were other faults with the car including an oil leak and the stereo not working.

An investigator here looked at the complaint. He said that there wasn’t sufficient evidence that there was a fault which made the car of unsatisfactory quality. He said that there wasn’t any compelling evidence that Mr M was told the car would have a full service history. He didn’t recommend that TFS needed to do anything.

Mr M disagreed and in summary he said:

- AC were made aware right away and they were not interested; he only took it up with TFS later because of that.
- He said that just because the car wasn’t advertised with a service history it wasn’t good practice to miss two Haldex services which are crucial to the handling of the car and safety critical.
- AC were told and sent pictures, and proof of faults were sent to TFS and the Financial Ombudsman.
- He was told he couldn’t pick the car up because it was being serviced which was incorrect.

- The car hadn't been returned to AC because it was too far away and he was refused help.

Mr M asked for the complaint to be reviewed by an ombudsman, so it's been passed to me.

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 considering what is, in my opinion, fair and reasonable, I take into account relevant law and regulations; regulator's rules, guidance, and standards; codes of practice; and what I believe to have been good industry practice at the relevant time.

Firstly, I am very sorry to hear about the difficulties Mr M has described to this service. But I need to clarify that I'm only looking into a complaint about TFS, rather than AC. In this case TFS is not responsible for anything said or done by AC after the car was supplied.

I know this will come as a disappointment to him, but having considered all the circumstances, I've reached the same overall conclusions as the investigator for broadly the same reasons. I've read and considered the evidence submitted by both parties, but I'll focus my comments on what I think is relevant. If I don't comment on a specific point, it isn't because I haven't considered it, but because I don't think I need to comment in order to reach what I think is the right outcome. This is not intended as a discourtesy but reflects the quick and informal nature of this service in resolving disputes. Our powers allow me to do this.

Where the evidence is incomplete, inconclusive, or contradictory (as some of it is here), I reach my decision on the balance of probabilities – in other words, what I consider is most likely to have happened in light of the available evidence and the wider circumstances.

The agreement in this case is a regulated consumer credit agreement. As such, this service is able to consider complaints relating to it. TFS is also the supplier of the goods under this type of agreement, and responsible for a complaint about their quality.

The Consumer Rights Act 2015 (CRA) is of particular relevance to this complaint. It says that under a contract to supply goods, there is an implied term that "the quality of the goods is satisfactory."

The CRA says the quality of goods are satisfactory if they meet the standard that a reasonable person would consider satisfactory taking into account any description of the goods, the price and all the other relevant circumstances. In a case involving a car, the other relevant circumstances might include things like the age and mileage at the time of supply and the car's history.

The CRA says the quality of the goods includes their general state and condition and other things like their fitness for purpose, appearance and finish, freedom from minor defects, safety, and durability.

When Mr M acquired the car in June 2024 the mileage was around 50,100 and the cash price was around £19,100. The car was first registered in December 2017, so by this stage it was six and a half years old. It wouldn't be unreasonable to expect the car to be showing some signs of wear and tear, and that might include the underlying components. There would be very different expectations of it than if it was a brand-new car. The price paid usually reflects the age and condition of the car.

As a starting point there would need to be some evidence of what the faults were. And secondly, that the faults rendered the car of unsatisfactory quality.

Mr M has asserted that there were several faults with the car. But other than his testimony he's unfortunately only been able to supply limited evidence. He's provided a photo of a wheel with a crack in the rim. I'm sorry to disappoint him but without evidence of the other faults I can't draw conclusions on the car not being of satisfactory quality when it was supplied.

When something goes wrong with a car it isn't automatically something that the finance provider is responsible for. Sometimes the underlying components of a car suffer wear and tear which might mean that they come to the end of their serviceable lifespan during the course of a finance agreement.

Although TFS were the supplier of the car under the agreement, it was not aware that Mr M was experiencing any issues until he contacted it in January 2025. Considering the description of the faults and the time that had elapsed since supply unfortunately the CRA sets out that the onus was on Mr M to demonstrate that the car was inherently faulty.

The photo he's supplied demonstrates that there is a crack in the wheel, however there isn't any evidence as to how or when that occurred. The issues he experienced could be due to damage sustained during Mr M's possession of the car, or reasonably expected wear and tear, or even a failed repair, which wouldn't be TFS' responsibility. Or it could point to a defect that was present at the point of supply. We haven't been provided with sufficient evidence to determine what happened.

I've noted Mr M told our investigator that the car hadn't been serviced properly and this was dangerous. But having checked the advert I can't see any clear indication that it was advertised as having a full service history. I've seen the service history, which I accept isn't completely in line with the manufacturer recommendations. But I've not seen any compelling evidence he was told something which turned out to be untrue or that key information wasn't disclosed. And I've not seen enough to show that the current condition of the car was as a result of a specific type of service that hadn't been carried out when it should have been. I fully understand his commentary that missing a service could be critical, but not all cars are sold with a service history or any particular guarantee that repairs in its history would be in line with manufacturer recommendations. But there is a requirement that the car is of satisfactory quality when it is supplied.

I'm not saying something definitely didn't go wrong, merely that I don't think it would have been unreasonable for TFS to have expected there to be more detailed supporting evidence for the faults and confirming that they were present or developing at the point of supply, or that he was promised something that turned out not to be true.

During its investigation I can see that TFS tried to make enquiries of all the parties that had been involved. It did take into account information provided by AC, but it wasn't able to interrogate this or force it to provide more. TFS isn't responsible for AC's actions after the agreement was entered into. I need to explain that our service is also reliant on the evidence put before us, we can't compel witnesses or marshal evidence in the same way a court can.

Mr M explained that he'd been dealing with AC shortly after acquiring the car. So, at that point, it's possible that Mr M could have demonstrated the car wasn't conforming to the contract he'd entered at the point of supply. But Mr M didn't contact TFS until January 2025 and by then the onus was on him to demonstrate what was wrong. I also appreciate that Mr M might not have been fully aware of his rights, and he said he'd spent a lot of time dealing

with AC, but that doesn't mean I can direct TFS to do something when it wasn't aware of the issues he was experiencing.

I appreciate Mr M is unhappy he feels he's lost out. I'm sorry to disappoint Mr M, but without sufficient evidence of faults which made the car of unsatisfactory quality when it was supplied, or compelling evidence that the car was misrepresented, I find I don't have the grounds to direct TFS to do anything.

Mr M is also unhappy that TFS reported adverse information about his payment history to the credit reference agencies while the case was with our service. As I'm not upholding his complaint about the car, I don't have grounds to direct TFS to remove any adverse information.

Mr M can discuss his payments with TFS to see if it can come to an arrangement with him. And if he's unhappy about that then he may be able to raise a separate complaint.

And as a reminder, Mr M doesn't need to accept my decision, and he'll be free to pursue the complaint by other means, such as through the court, after obtaining legal advice, as necessary.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 4 March 2026.

Caroline Kirby
Ombudsman