

## **The complaint**

Mr V is unhappy with how Volkswagen Financial Services (UK) Limited trading as Audi Financial Services have put things right following problems with the quality of a car financed using a hire purchase agreement.

## **What happened**

In July 2021, Mr V entered into a hire purchase agreement with Audi for a new car. The cash price was £72,829.

Since acquiring the car, Mr V experienced a number of issues with it including faults with the steering shaft, air conditioning, 360-degree camera, sensors, and interior trim. He says some of the problems reoccurred after repairs were carried out, and not all issues were resolved first time.

Unhappy with what happened, Mr V complained to Audi in February 2025. They offered him £150 for the distress and inconvenience he had experienced because of the problems he had. They also refunded him 25% of four of his monthly finance repayments.

While Mr V now owns the car outright, he didn't think Audi's offer reflected the problems he experienced with the car since he acquired it.

An investigator looked into things for Mr V and said that he thought they had broadly done enough to put things right. He noted that one of the repairs had been done under warranty and required Mr V to pay an excess charge. He said he thought the repair was related to the quality of the car at the point of supply so said Audi should reimburse Mr V this cost, plus 8% simple interest.

Mr V disagreed and asked for an Ombudsman to look into the complaint, so it has been passed to me to review.

## **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.

Mr V acquired his car using a hire purchase agreement and so The Consumer Rights Act 2015 ("CRA") is a relevant legislation for this complaint. The CRA sets out expectations and requirements around the quality of goods supplied. In summary, goods should be of satisfactory quality. Section 9 of the CRA says that goods are of satisfactory quality if they meet the standard that a reasonable person would consider satisfactory. When considering the quality of a car, the age, mileage and price are things that need to be taken into account.

The full range of issues which have occurred with the car are familiar to both parties, and have been evidenced with job sheets sent in as part of the complaint so I won't repeat them all here.

There doesn't seem to be any disagreement that Mr V had to return his car for ongoing

technical and mechanical issues. There also seems to be a consensus that these issues were related to the durability and quality of the car at the point of supply. Considering Mr V's car was new when he got it, I don't think a reasonable person under the CRA would've expected the number of issues that occurred with the car.

Mr V has also confirmed that all of the outstanding issues with his car have been repaired apart from an issue with the sunroof which is still pending. Mr V has also confirmed he would like to keep his car. So, I will focus my decision on whether Audi have done enough to put things right for Mr V considering what has happened.

All of the repairs to Mr V's car were carried out at no cost to him apart from a warranty claim where he had to pay a £250 excess in early 2025. Both the refrigerant temperature sensor and the high-pressure switch were replaced as part of this repair. I don't think a reasonable person under the CRA would've expected these parts to have failed so soon on a brand new car. And so it follows, that I don't think it's fair that Mr V should be liable for the £250 warranty excess. Audi should refund this cost to Mr V alongside 8% simple interest from the time he paid it to when it was refunded. This is because Mr V has been without use of these funds.

Audi have offered Mr V a refund of finance repayments totalling £472.56 in addition to £150 for the distress and inconvenience he experienced. Mr V was able to drive his car around 30,000 miles over four years. I wouldn't have expected Audi to have refunded his full finance payments as he was able to use his car over this period. And so, I think this amount fairly reflects the loss of enjoyment he would've experienced because of the faults.

I've also considered Mr V's personal circumstances and the effect all of this had on him. He has explained that the issues with the car made him worry about its safety- particularly because his son was a regular passenger. He also had to take his car to the dealership multiple times for repairs to be carried out. While he was given a courtesy car for the majority of these times, I can understand why multiple visits with a brand new car was frustrating and not what he would expect.

I've had to take into account that this complaint relates to the actions of Mr V's finance company. While I can appreciate Mr V's unhappiness, Audi didn't get involved in this complaint until early 2025. Some of the repairs Mr V had carried out were also related to previous poor workmanship from the dealership. And so, with all this in mind, I think the £150 for the distress and inconvenience experienced, alongside the £472.56 refund of finance payments is a fair amount to acknowledge what Mr V went through.

### **Putting things right**

Volkswagen Financial Services (UK) Limited trading as Audi Financial Services should reimburse Mr V the £250 warranty excess plus 8% simple interest from the time it was paid to the date it was refunded.

If Audi deducts tax from any interest they pay to Mr V, they should provide him with a tax deduction certificate if he asks for one, so he can reclaim the tax from the tax authorities if appropriate.

### **My final decision**

My final decision is that I uphold this complaint and require Volkswagen Financial Services (UK) Limited trading as Audi Financial Services to put things right as set out above.

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

reject my decision before 5 January 2026.

Ami Bains  
**Ombudsman**