

## The complaint

Mr H complains that a car acquired under a hire purchase agreement with RCI Financial Services trading as Nissan Financial Services (“RCI”) wasn’t of satisfactory quality when it was supplied to him.

Mr H has been represented in this complaint. But for ease of reading I will refer to him only throughout this decision.

## What happened

Both parties are familiar with the background of this complaint so I will only summarise what happened briefly here.

In March 2024, Mr H entered into an agreement to acquire a new car. The car was supplied by a dealership (F). Mr H paid a deposit of £2,500, and there was also a contribution from F. The purchase balance was provided under a hire purchase agreement with RCI. The agreement was for 49 months, with 47 monthly repayments of £343.22, one payment of £343.02 and an optional final payment of £16,278.27 if Mr H wanted to keep the car at the end of the agreement. The cash price of the car was £32,149.

In June 2025 Mr H got in contact with RCI. He told them the car hadn’t started the previous day and he’d needed to call out a recovery company to assist. They had managed to start the car but had found a fault code in relation to the car’s charging system and infotainment system. Mr H had taken the car to F but told RCI he wanted to reject it.

Mr H also told RCI that he’d experienced other problems with the car since taking delivery of it. Those problems included issues with the rear door locking system, the emergency braking lights coming on, and the infotainment system not working.

RCI responded and didn’t uphold Mr H’s complaint. They said that F and the manufacturer had been unable to find any faults with the car and, therefore, RCI couldn’t support rejection of it. The manufacturer confirmed they had previously given Mr H a £200 voucher, which he had used for a service on the car, and had offered to provide a further 12 months’ warranty when his current warranty period expired.

Mr H brought his complaint to our service. Our investigator issued a couple of outcomes, but ultimately she didn’t uphold it. She said that, other than the initial problem identified and repaired with the rear door locking system, there was no evidence of any other faults with the car. She said that the problem Mr H was explaining with the infotainment system wasn’t a fault – and it just needed regular system updates, as confirmed by the manufacturer. She concluded that the car wasn’t of satisfactory quality at the point of supply, but repairs had been completed in line with the Consumer Rights Act 2015 and RCI needed to take no further action.

Mr H didn’t accept this. He said he didn’t think F had investigated his concerns thoroughly enough when he had brought them to their attention. He also said that having to get regular

software updates from F was frustrating, and not in line with what he had experienced from other car manufacturers.

As Mr H hasn't agreed, the complaint has been passed to me to decide.

### **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 fair and reasonable, I'm required to take into account: relevant law and regulations, relevant regulatory rules, guidance and standards and codes of practice.

Both parties have provided a lot of information here. I'd like to reassure them that I've read and considered everything that's been sent, although I haven't commented on it all within this decision. I will be focussing on what I consider to be the key points of this complaint. This is not intended as a discourtesy but reflects the informal nature of this service in resolving disputes.

I think it's worth starting by explaining I'm only looking at RCI's responsibility here as the finance provider for the car. Mr H has voiced a lot of concerns about F and how they dealt with his concerns about the quality of the car post-sale – but at that time F weren't acting as agents of RCI, and RCI can't be held responsible for anything F have said or done post-sale.

As the hire purchase agreement entered by Mr H is a regulated consumer credit agreement our service is able to consider complaints relating to it. RCI are also the supplier of the goods under this type of agreement and are responsible for a complaint about their quality.

The Consumer Rights Act 2015 (CRA) covers agreements like the one Mr H entered. Because RCI supplied the car under a hire purchase agreement, there's an implied term that it is of satisfactory quality at the point of supply. Cars are of satisfactory quality if they are of a standard that a reasonable person would find acceptable, taking into account factors such as, amongst other things, the age and mileage of the car and the price paid.

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

Satisfactory quality also covers durability. For cars, this means the components must last a reasonable amount of time. Of course, durability will depend on various factors. In Mr H's case, the car was new so a reasonable person would expect it to be free from defects, even minor ones, for a significant period of time.

Our investigator has explained that she thinks the car wasn't of satisfactory quality when it was supplied to Mr H. But she's said that the fault with the rear door locking system was repaired, and no other faults have been identified with the car. Because of that, she's said that RCI don't need to take any further action. I agree in this case. I'll explain why.

The CRA explains that where goods are found not to have conformed to the contract within the first six months, it is presumed the goods did not conform to the contract at the point of supply. Unless the supplier, RCI in this case, can prove otherwise. Mr H didn't bring any concerns with the car to RCI's attention until June 2025, 15 months after he'd been supplied with it. But, as he had returned the car to F, the supplying dealership, within four months for the fault with the rear door locking system, I'm satisfied RCI's position hasn't been

prejudiced in this case. Had Mr H got in touch with them at the time, I'm satisfied RCI would have referred him to back to F for a remedy or repair.

The CRA allows for one opportunity to repair, and, although Mr H asked to reject the car in July 2024 when he first went back to F, I don't think rejection was appropriate at that point. F repaired the rear door locking system, and I'm satisfied those repairs have worked, and in turn they brought the car back into conformity with the contract. No subsequent faults related to that repair have been evidenced by Mr H.

Mr H brought the other concerns to RCI's attention in June 2025. At this point he said again that he wanted to reject the car. Considering the time the agreement had been in place, it was for Mr H to show the faults he was now bringing to RCI's attention were inherent faults – that is that they had been present or developing from the point of supply. I appreciate he has said that he'd been experiencing problems intermittently with the car since being supplied with it, but there isn't any evidence of that. F have had the car back on numerous occasions and have been unable to replicate any of the faults Mr H has reported. The only evidence I have is from F and the manufacturer, who have confirmed that, despite several diagnostic tests on the car, no faults have ever been found.

I appreciate Mr H's comments about the infotainment system, and the inconvenience having to take it back to F for a software update has caused him. And may continue to cause him. But I haven't been provided with any evidence that shows the software updates have been needed because a fault has been found with the infotainment system. It seems they've been required to ensure the system is up-to-date and maintained regularly to ensure it functions as expected.

In order for me to hold RCI responsible for any faults, I have to be satisfied any faults, outside of the rear door locking fault that was previously repaired, were there from the point of supply. And I'm not persuaded Mr H has demonstrated that in this case. As such, this means that, based on the evidence I've been provided with, I can't conclude the car had inherent faults, and that RCI are responsible for them. So, it follows that I'm not persuaded Mr H should have been allowed to reject the car when he made his complaint to RCI. I'm not persuaded he had shown enough evidence to RCI at that time to confirm any additional faults had been present or developing at the point of supply.

I know this decision will come as a disappointment to Mr H. He has acquired a new car and is clearly frustrated with it. But, as I've said above, I can only conclude the car was unsatisfactory and should be rejected if the evidence provided confirms any additional faults, apart from the rear door locking fault that was repaired, were present or inherent at the point of supply. And I don't think the evidence has been provided in this case. I won't be asking RCI to do anything further.

Mr H has said that he's unaware of the manufacturer's offer of an extended warranty. He will need to contact them to see if this offer is still available to him, and it doesn't form part of this complaint against RCI.

### **My final decision**

For the reasons above, I don't uphold this complaint.

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

Kevin Parmenter

**Ombudsman**