

The complaint

Miss C complains that the car she acquired through Volkswagen Financial Services (UK) Limited, trading as Volkswagen Financial Services (“VFS”) wasn’t of satisfactory quality. She wants a replacement car and some compensation for the inconvenience and worry she’s experienced.

What happened

Miss C entered into a hire purchase agreement in June 2023 to acquire a new car. The cash price of the car was £27,385, and after taking account of the advance payment and the optional final payment, the total repayable were the credit agreement to run to term was £31,959.76. The credit provided was to be repaid through the hire purchase agreement which was set up over a 49-month term with monthly rentals of £309.87.

Miss C told us:

- On the day she collected the car, there were some faults with its electrical system, but the salesman at the supplying dealership persuaded her to take the car away and see if the issues resolved themselves;
- she complained to the supplying dealership within 30 days and repairs were undertaken under warranty;
- although repairs were being carried out, she was under the impression that the supplying dealership was also working on obtaining her a replacement car;
- she wants her car replacing as originally requested, and she wants some compensation for the fact she had to drive the car when it was faulty.

VFS rejected Miss C’s complaint about the quality of the car it had supplied. It said the supplying dealership had said there were no outstanding faults with the car – everything had been repaired under warranty and at no cost to Miss C. It said the supplying dealership was prepared to part-exchange the car, but that Miss C had declined the offered terms.

VFS said Miss C had not exercised her right to reject within 30 days and had only brought her complaint to it around 19 months after she’d acquired the car.

VFS told this Service that there had been some faults; an electrical fault; an electrical fault with the control unit; an issue with the dash panel trim; and a fault with the ambient lighting – but all of these had been repaired under warranty, and there were no current issues with the car. And it noted that Miss C had driven nearly 19,000 miles in the first two years which it suggested indicated she’d had fair usage of the car.

Our Investigator looked at this complaint and said she thought it should be upheld. She explained the relevance of the Consumer Rights Act 2015 (“CRA”) in the circumstances of this complaint, and she said that she was satisfied that there had been faults with the car; the car’s records showed that repairs that had been carried out under warranty.

Our Investigator explained that this was a new car, so Miss C was entitled to have high expectations, and she said she thought the fact repairs had been undertaken indicated that

the car hadn't been sufficiently durable and also indicated that the faults were likely present at the point of supply.

Our Investigator noted that following the repairs, she'd seen no evidence of any further faults, or that the repairs had subsequently failed. And she said she'd seen nothing to confirm that Miss C had exercised her right to reject the car within the first 30 days of acquiring it.

Our Investigator acknowledged the inconvenience that Miss C would've experienced having to take her car back to the supplying dealership on several occasions, and she asked VFS to pay £150 compensation in respect of this. But she also said she'd seen nothing to suggest the car was unsafe to drive; or that Miss C had rejected it; or that a replacement car had been offered to Miss C.

Finally, our Investigator said that Miss C's subsequent complaints about her dealings with the supplying dealership after she'd acquired the car were not things that this Service could consider, and she suggested Miss C raise these matters directly with the supplying dealership.

Miss C disagreed with our Investigator's recommendations and provided a witness statement from her partner to support her position. Miss C said the car had been unsafe whilst she'd had to drive it, and although repairs were carried out under warranty, these were only to keep her mobile until a new replacement car could be arranged. And she said that £150 compensation didn't cover the experience she'd had with the car.

Our Investigator looked again at everything Miss C had submitted but said that the screenshots of conversations between Miss C and the supplying dealership *did not* evidence that Miss C had exercised her right to reject the car, and they *did not* evidence that the salesman had agreed to replace the car; there simply was no evidence to confirm that rejection or replacement of the car was agreed.

Our Investigator again concluded that the repairs had been completed; she'd seen nothing to suggest there were further faults with the car; and £150 compensation was fair in the circumstances.

Miss C disagrees so the complaint comes 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.

Having done so, I agree with our investigator – and I'll explain why.

I hope that Miss C won't take it as a discourtesy that I've condensed her complaint in the way that I have. Ours is an *informal* dispute resolution service, and I've concentrated on what I consider to be the crux of this complaint. Our rules allow me to do that. Miss C should note, however, that although I may not address each individual point that she's raised, I have given careful consideration to all of her submissions before arriving at my decision.

When looking at this complaint I need to have regard to the relevant laws and regulations, but I am not bound by them when I consider what is fair and reasonable.

As the hire purchase agreement entered into by Miss C is a regulated consumer credit agreement this Service is able to consider complaints relating to it. VFS is also the supplier

of the goods under this type of agreement, and it is responsible for a complaint about their quality.

Under the Consumer Rights Act 2015 (“CRA”) there is an implied term that when goods are supplied “the quality of the goods is satisfactory”. The relevant law says that the quality of the goods is satisfactory if they meet the standard that a reasonable person would consider satisfactory taking into account any description of the goods, price and all other relevant circumstances.

The relevant law also says that 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 can be aspects of the quality of the goods. So, what I need to consider in this case is whether the car *supplied* to Miss C was of satisfactory quality or not.

The CRA also says that, where a fault is identified within the first six months, it’s assumed the fault was present when the car was supplied, unless VFS can show otherwise. But, if the fault is identified after the first six months, then it’s for Miss C to show the fault was present when she first acquired the car. So, if I thought the car was faulty when Miss C took possession of it, and this made the car not of a satisfactory quality, it’d be fair and reasonable to ask VFS to put this right.

I don’t think there’s any dispute that Miss C has experienced problems with the car. That has been well evidenced by both her testimony and the fact that VFS does not contest this. Moreover, the supplying dealership says it carried out repairs, and these are also referenced in records about the car.

But, whilst I accept that there has clearly been issues with various electrical aspects of the car, VFS would only be responsible for putting things right if I’m satisfied that these issues were present or developing when the car was supplied – that is to say, the car wasn’t of satisfactory quality when Miss C first acquired it.

Now, the electrical issues first started to be evident within just a few days of Miss C acquiring the car, so I’m in no doubt that they were likely present or developing at the point of supply. But I’m of the view that, based on what I’ve seen, the supplying dealership accepted liability at the outset – it covered the costs of the repairs – and the supplying dealership undertook those repairs under warranty.

Miss C says she told the supplying dealership she wanted to reject the car, and that the supplying dealership was sourcing a new replacement car for her whilst keeping her mobile in the car she’d acquired. But I disagree. I’ve looked very carefully at the email correspondence Miss C sent this Service, and I’ve seen nothing that shows she exercised her right to reject the car, or that she was promised a new replacement car.

I’ve also seen nothing to suggest to me that the remedial work hasn’t been completed successfully. I’ve seen no evidence that any of these repairs have subsequently failed, or that there’s been further issues / faults with the car that were likely present or developing at the point it was supplied. So, on the basis that the car has been successfully and fully repaired, I don’t think it would be right to direct VFS to accept rejection of it. I’m satisfied that VFS, through the actions of the supplying dealership, has done what it needed to do in the circumstances.

Now, it may well be the case that Miss C does not have full confidence in the repairs, or she fears that other faults may manifest themselves in the future. In this situation, as she’s had

the car for more than six months, it would be for Miss C to instruct a recognised independent engineer to inspect it.

In the event an independent engineer identified further faults that were likely *present or developing at the point of supply*, or concluded that repairs already undertaken by the supplying dealership had failed, then Miss C could bring a new complaint directly to VFS

I know that the whole experience will have been distressing for Miss C, and she had the inconvenience of having to take her car into the supplying dealership on a number of occasions to have matters remedied. I think it's fair in the circumstances of this complaint that VFS pays Miss C £150 compensation in recognition of this.

I know Miss C will be disappointed with what I've said, but I hope she understands why I've reached the conclusions that I have.

Putting things right

Volkswagen Financial Services (UK) Limited, trading as Volkswagen Financial Services did cause Miss C distress and anxiety with the initial problems she experienced when it supplied her with a faulty car. And I can see it's acknowledged this and agreed with the Investigator's recommendation to pay Miss C £150 compensation in recognition of this. So I'm now going to ask it to make that payment.

My final decision

My final decision is that I uphold this complaint and direct Volkswagen Financial Services (UK) Limited, trading as Volkswagen Financial Services to pay compensation as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 13 February 2026.

Andrew Macnamara
Ombudsman