DRN-5983081

The complaint

Mr A is unhappy that a car supplied to him under a hire purchase agreement with Volkswagen Financial Services (UK) Limited trading as Volkswagen Financial Services ('VWFS') was of an unsatisfactory quality.

Mr A has been represented during the claim and complaint process by Dr A. For ease of reference, I will refer to any comments made, or any action taken, by either Mr A or Dr A as "Mr A" throughout the decision.

What happened

In May 2023, Mr A was supplied with a new car through a hire purchase agreement with VWFS. He paid an advance payment of £9,035.06 and the agreement was for £36,718.94 over 49 months; with 48 monthly payments of £415.31 and a final payment of £22,577.50.

Mr A says that he started to have problems with the car in late 2023 – it would stop without warning while being driven. He reported this to the supplying dealership who inspected the car in March 2024. While they were unable to replicate the issue, they indicated that an upcoming software update may fix any issues Mr A says he was having. They also said that, if the problems continued, it would be helpful if Mr A could provide some evidence of this.

Mr A says the issues with the car continued, even after the scheduled software update. In August 2024 the car was returned to the supplying dealership for further investigation, where it remains. Despite extensive testing, no faults could be found. Unhappy with this, and that online forums suggested there was a battery connection fault, Mr A complained to VWFS.

VWFS didn't uphold the complaint – they said the car had been subjected to extensive diagnostic checks and road testing, and no faults could be identified. Mr A didn't accept VWFS's response, and he brought the matter to the Financial Ombudsman Service for investigation.

Our investigator also didn't uphold the complaint as there was no evidence of any fault with the car. Mr A didn't agree with the investigator's opinion, and he instructed an independent engineer to inspect the car. This inspection took place on 26 June 2025, when the car had done 14,080 miles. Although no test drive had been carried out, the engineer said there had been an active fault on the car since 6 March 2024 relating to communication between the ECU and the B drive motor, resulting in loss of power when accelerating. Given this, the engineer didn't think the car was of a satisfactory quality when it was supplied to Mr A. Mr A also provided a schedule of losses, saying that he had suffered over £100,000 in losses due to the quality of the car provided to him.

The investigator revised their opinion, saying there was now evidence of a fault with the car and an attempt to repair the car had been unsuccessful. So, they said that Mr A should now be allowed to reject the car and receive a refund of the deposit he paid. The investigator also said that Mr A should be refunded all the payments he made since August 2024 and be reimbursed for the tax and insurance costs he paid since this date, as well as being reimbursed for the cost of the independent engineer's report. Finally, the investigator said

that VWFS should pay Mr A £300 compensation for the trouble and inconvenience he'd been caused.

Mr A didn't agree with the investigator's revised opinion. While he accepted that the car should be rejected, he didn't agree with the compensation recommended and thought that the consequential losses (detailed within the schedule of loss) should be considered.

A further inspection of the car took place on 2 October 2025, instructed by the dealership's solicitors. The original independent engineer was also present at this inspection, along with Dr A. The second independent engineer referred to technical bulletins issued by the manufacturer, that covered fault codes referred to by the first independent engineer, explaining why these could be safely ignored as they don't affect the operation of the car.

The second engineer also said that some of the fault codes relied on by the first engineer when reaching their conclusion related to a B drive motor that wasn't fitted to the car supplied to Mr A, and the fault codes exist simply because the B drive motor doesn't, i.e. the ECU is identifying a fault because it cannot identify the part the fault code relates to. As a result of this, and the test drive carried out, the second engineer said:

> *"Based on my examination and testing of the Vehicle, and review of diagnostic scans performed at the time of examination and previously, there was no evidence of any fault that would have caused a reoccurring loss of power as reported by the Claimant.*
>
> *Furthermore, there was no evidence of any fault that would cause a functional defect with the charging system of the Vehicle.*
>
> *The actions performed by [the supplying dealership] in examining and testing the Vehicle for the reported concerns, interpreting the fault codes present in the diagnostic logs and verifying these with the Vehicle manufacturer were appropriate.*
>
> *There weas no indication that the Vehicle was defective or unsatisfactory at the point of sale or any time subsequently, as such I do not consider that there were any further actions that could or should have been taken by the dealership.*
>
> *I disagree with the conclusion of the report of [the first independent engineer] as the methodology and assertions appeared to rest entirely on the fault codes which were present in the diagnostic test results reviewed, which the Vehicle manufacturer had confirmed were either not applicable to the specification of the Vehicle of have no effect on the functionality and can be ignored/deleted."*

VWFS said that, given the *"technical vehicle quality reports and complex legal issues"* and given that both the dealership and Mr A had already instructed legal representation, they felt this matter was more suitable to be determined by the courts.

Mr A was provided with a copy of the second engineer's report in November 2025, and the investigator explained why this report changed their view again – the investigator was more persuaded by the second engineers report and believed the car was of a satisfactory quality when it was supplied to Mr A. As such, they said that VWFS didn't need to take any further action.

Mr A didn't agree with this, providing extensive comments as to why. These included, but are not limited to, why he didn't think it was fair to rely upon an investigation carried out by the dealership, why the inability to replicate the fault doesn't mean that a fault doesn't exist, why

sufficient weight wasn't given to the first independent engineer's report, and why it wasn't reasonable for him to be able to continue to drive the car given the safety concerns.

As no agreement has been able to be reached, this matter 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.

Having done so, I've reached the same overall conclusions as the investigator, and for broadly the same reasons. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome. Where evidence has been incomplete or contradictory, I've reached my view on the balance of probabilities – what I think is most likely to have happened given the available evidence and wider circumstances.

In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and (if appropriate) what I consider was good industry practice at the time. Mr A was supplied with a car under a hire purchase agreement. This is a regulated consumer credit agreement which means we're able to investigate complaints about it.

The Consumer Rights Act 2015 ('CRA') says, amongst other things, that the car should've been of a satisfactory quality when supplied. And if it wasn't, as the supplier of goods, VWFS are responsible. What's satisfactory is determined by things such as what a reasonable person would consider satisfactory given the price, description, and other relevant circumstances.

The CRA also implies that goods must confirm to contract within the first six months. So, where a fault is identified within the first six months, it's assumed the fault was present when the car was supplied, unless VWFS can show otherwise. So, if I thought the car was faulty when Mr A took possession of it, and this made the car not of a satisfactory quality, it'd be fair and reasonable to ask VWFS to put this right.

When reaching my decision, I've considered VWFS's comments that this matter is more suitable for the courts. Our rules allow us to say this, but I don't think that's the case here – while both Mr A and the dealership have instructed legal advice, neither party have actually issued any proceedings. And I don't think the underlying issues here are legally complex, as two independent experts have examined the car. However, their opinions differ.

As I've said above, when faced with contradictory evidence, my decision is based on what I think is most likely to have happened given the available evidence and wider circumstances.

The first engineer believes the car wasn't of a satisfactory quality when it was supplied to Mr A. Their opinion is based on an examination of the car, namely the fault codes, but not on a test drive – the engineer didn't actually drive the car and experience the issues Mr A is complaining about.

The second engineer believes the car was of a satisfactory quality. While they accept there are fault codes present, they have explained why they aren't an issue, referring to both manufacturer technical bulletins and how fault codes are produced in relation to things that aren't fitted to the car – in this instance the B drive motor. This inspection, which was attended by both Dr A and the first engineer, included a test drive where the faults Mr A has complained about couldn't be replicated.

Mr A has been in possession of the second engineer's report since mid-November 2025 – a period of about three months. It would be reasonable to assume this was forwarded to the first engineer, as it contradicted their report that said there *was* an issue with the car, and that the first engineer would provide rebuttal comments. However, no such comments have been received.

Given this, as it seems the first engineer has accepted the second engineer's report without comment, I'm satisfied that it's reasonable for me to rely upon the second engineer's report as being a true reflection of the quality of the car – that it was of a satisfactory quality when it was supplied to Mr A, and that there are no current faults that can be identified.

In reaching this view, I've also considered that Mr A has stated the DVSA were looking to issue a safety recall on the car. However, there is no evidence that this has been issued, or that the DVSA intend on issuing this. The lack of recall not only supports the second engineer's report, it also convinces me that, based on what I've seen, the car is safe to drive.

Finally, Mr A has referred to VWFS failing to provide documents when requested to do so under a Data Subject Access Request. While this may be the case, data issues such as these fall under the remit of the Information Commissioners Office (ICO) and are best dealt with by them.

Therefore, and while I appreciate that Mr A won't agree with me, for the reasons given I'm satisfied the car supplied to Mr A was of a satisfactory quality, and VWFS don't need to take any further action.

My final decision

For the reasons explained, I don't uphold Mr A's complaint about Volkswagen Financial Services (UK) Limited trading as Volkswagen Financial Services.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 16 February 2026.

Andrew Burford
Ombudsman