

The complaint

Mr H complains that a car that was supplied to him under a hire purchase agreement with Volkswagen Financial Services (UK) Limited, trading as Porsche Financial Services, wasn't of satisfactory quality.

What happened

A used car was supplied to Mr H under a hire purchase agreement with Porsche Financial Services that he signed in January 2023. The price of the car was £89,999, Mr H made an advance payment of £3,387 and he agreed to make 48 monthly payments of £1,361.68 and a final payment of £48,592 to Porsche Financial Services.

Mr H complained to Porsche Financial Services in April 2025 about issues with the car and the service that he'd received from the dealer, and he said that he wanted to reject the car. Porsche Financial Services partially upheld his complaint, apologised for any trouble and upset experienced and offered a goodwill gesture of 20% of rentals paid in March, April and May 2025, which it said would be £816.60 but that it would round that up to £1,000. Mr H didn't accept its offer and referred his complaint about the issues with the car to this service.

His complaint was looked at by one of this service's investigators who, having considered everything, didn't think that Porsche Financial Services had acted fairly. He didn't agree that rejection of the car was appropriate as it had been returned to Mr H and been used since August 2025, but he recommended that Porsche Financial Services should make a further refund of 20% of the monthly instalments paid for June, July and August 2025 and pay Mr H £200 compensation for the distress and inconvenience caused. Porsche Financial Services has accepted the investigator's recommendation, but Mr H hasn't responded to it, so I've been asked to issue a decision on this complaint.

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.

I understand that Mr H was contacted by the manufacturer in March 2025 about a safety recall affecting his car so he took it to the dealer. There were then further issues which led to the car not being available to Mr H until August 2025. I've seen no evidence to show that there have been any issues with the car since then and Mr H says that he accepted a £2,500 gesture of goodwill from the manufacturer.

Mr H complained to Porsche Financial Services about the issues with the car in April 2025 and it offered a goodwill gesture of 20% of the rentals paid to represent March, April and May 2025 on the anticipation of when the work would be completed. The work wasn't completed until August 2025, so the investigator recommended that Porsche Financial Services should also refund 20% of the monthly instalments paid for June, July and August 2025. He also said that Mr H had suffered a high level of distress and inconvenience so Porsche Financial Services should also pay him an additional £200 compensation for the distress and inconvenience that he'd been caused.

Porsche Financial Services has accepted the investigator's recommendation and has agreed to make those payments to Mr H. It has confirmed that it hasn't yet paid any compensation to Mr H. As the car has been returned to Mr H, he's not responded to the investigator's recommendation and I've not been provided with any evidence to show that there are any further issues with the car, I find that it wouldn't be fair or reasonable for me to now require Porsche Financial Services to allow Mr H to reject the car. I find that it would be fair and reasonable in these circumstances for Porsche Financial Services to take the actions recommended by the investigator, and as described below, to put things right.

Putting things right

Porsche Financial Services has offered to refund to Mr H 20% of the monthly payments that he made under the hire purchase agreement in March, April and May 2025 and to round up that refund to £1,000. The investigator recommended that it should also refund 20% of the monthly instalments paid for June, July and August 2025 and pay Mr H £200 compensation for the distress and inconvenience caused, and it has agreed to do so. Mr H has also accepted a £2,500 gesture of goodwill from the manufacturer. I find that it would be fair and reasonable for Porsche Financial Services to make those payments to Mr H, but I'm not persuaded that it would be fair or reasonable for me to require it to take any other action in response to his complaint

My final decision

My decision is that I uphold Mr H's complaint and order Volkswagen Financial Services (UK) Limited, trading as Porsche Financial Services, to:

1. Pay to Mr H the £1,000 that it offered to him.
2. Refund to Mr H 20% of the monthly payments that he made under the hire purchase agreement in June, July and August 2025.
3. Pay an additional £200 to Mr H to compensate him for the distress and inconvenience that he's been caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 2 February 2026.

Jarrod Hastings
Ombudsman