

The complaint

Mrs M complains that a vehicle supplied to her under a hire purchase agreement with Volkswagen Financial Services (UK) Limited trading as Seat Financial Services is of unsatisfactory quality. Mrs M also raised that she felt the agreement was misrepresented due to the vehicle not coming with a wireless charging pad and she was unhappy with the home charger offering that was supposed to come with the vehicle.

What happened

In January 2025, Mrs M entered into a hire purchase agreement with Volkswagen Financial Services (UK) Limited trading as Seat Financial Services (VWFS) to purchase a brand-new vehicle. The cash price of the vehicle was £39,015.00, with an advance payment of £14,928.45 being paid. The total amount repayable on the agreement was £39,015.00, payable by 35 monthly payments of £236.85, followed by a final payment of £15,796.80.

Mrs M explained that she'd been having errors with the infotainment system with it intermittently not working, certain features freezing or the screen not turning on. Mrs M also explained that she'd been led to believe by the dealership sales staff that a wireless charging pad was included in the vehicle, and this was a major reason why she chose to purchase this particular car. As part of her complaint, Mrs M also raised that she wasn't provided with a free home charger as described in the offering by the manufacturer and dealership, as she was quoted an amount for additional installation work that she was unhappy with.

Due to these issues, Mrs M raised a complaint with VWFS. In its final response, VWFS did not uphold the complaint. It stated that the vehicle had not been mis-sold, no defect had been identified in relation to the infotainment system and that the home charger did not form part of the agreement.

Mrs M was unhappy with this, and brought her complaint to this service, where it was passed to one of our investigators. The investigator upheld the complaint. They explained that whilst they didn't think the vehicle had been misrepresented, they did find the vehicle to be of unsatisfactory quality when it was supplied. As such they recommended VWFS end the agreement, refund some costs such as the deposit and a payment to reflect the vehicle performance.

The investigator also explained that this service cannot investigate the home charger point as it did not form part of the agreement, meaning there is no power to investigate this. Mrs M was unhappy with this as she feels she has incurred greater costs than the investigator recommended be repaid, disagreed that the vehicle was not misrepresented due to the wireless charger and wanted the home charger point to be investigated due to costs incurred.

VWFS agreed with the investigator's outcome.

As the new information supplied by Mrs M did not change the investigators recommended redress, Mrs M disagreed with the outcome. As such, I've been asked to review the complaint to make a final decision.

As a note, I agree with the investigator that this service is unable to consider the complaint point about the home charger. This is because it did not form part of the finance agreement contract and was advertised separately. As such, this service does not have the power to investigate this point although I acknowledge Mrs M is unhappy about this. This appears to have been offered by the manufacturer or dealer separately from the finance agreement itself.

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've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point, it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

Mrs M acquired a car under a hire purchase agreement. Entering into consumer credit contracts like this is a regulated activity, so I'm satisfied we can consider Mrs M's complaint about VWFS. VWFS is also the supplier of the goods under this type of agreement meaning they are responsible for a complaint about the supply of the car and its quality.

The Consumer Rights Act 2015 (CRA) is relevant in this case. It says that under a contract to supply goods, there is an implied term that "the quality of the goods is satisfactory, fit for purpose and as described". To be considered as satisfactory, the CRA says the goods need to meet the standard that a reasonable person would consider satisfactory, considering any description of the goods, the price and all the other relevant circumstances.

So, it seems likely that in a case involving a car, the other relevant circumstances a court would consider might include things like the age and mileage at the time of sale and the vehicle's history.

In this case, Mrs M acquired a car that was brand-new. As this was a new car it would be reasonable to suggest that Mr J could expect to use it free from defects for a longer period of time than an older or more road-worn vehicle.

I've reviewed the available evidence about the issues Mrs M experienced with the car. Based on what I've seen, I'm satisfied that there was a fault with the infotainment system. I say this because I've seen photographic and video evidence appearing to show the system encountering issues. Having considered the car had faults, I've considered whether it was of satisfactory quality at the time of supply.

Having examined everything I have, I am persuaded that the vehicle was not of satisfactory quality when it was supplied. I say this because the infotainment system appears to be displaying issues that Mrs M could not reasonably expect when purchasing a new vehicle. Mrs M raised this and wanted to reject the vehicle within the first 30 days due to the issues she was having, as is her short-term right to reject as laid out by the CRA.

The dealership couldn't fault the system, but this was an intermittent issue. The available evidence persuades me the vehicle was not of satisfactory quality when it was supplied as explained above.

As the vehicle was not of satisfactory quality, and Mrs M wanted to reject it without accepting repairs, I consider a rejection of the vehicle to be fair in this case. Mrs M considers the vehicle to have been misrepresented to her due to the wireless charging pad issue raised.

I appreciate why Mrs M has raised this issue, as it does appear from the information I have, that this was important in her decision to purchase her next vehicle. I can also see a video from the sales staff discussing the wireless charger and explaining if there is any issues with it to let them know, which would suggest this was discussed as a feature on the vehicle.

As the outcome and redress would be the same for if the vehicle was misrepresented, as well as not of satisfactory quality in this particular case, I have not needed to reach a finding in this area. For the avoidance of doubt if I were to agree the vehicle was misrepresented due to this I wouldn't award any further compensation.

Putting things right

As I've concluded that the car was not of satisfactory quality when it was supplied, I think it's reasonable that VWFS should put things right.

For the reasons explained above, I do think rejection of the vehicle is a fair outcome. VWFS will need to end the agreement with nothing further to pay in relation to the monthly payments, arrange to collect the vehicle at no cost to Mrs M and refund the advance payment paid, however VWFS are entitled to keep any part made up of a dealer contribution if applicable.

I agree with the investigator that Mrs M should be due a refund of a portion of her monthly payments made towards the agreement. Because the infotainment system was not functioning correctly all of the time, I agree that a five percent refund of monthly payments paid from February to the date of settlement is fair in this case to reflect the impaired usage of the vehicle.

Mrs M made monthly payments during this time, but was able to continue to use the vehicle. As Mrs M had use of it, it is fair for VWFS to retain the monthly payments made minus the amount outlined. This is because Mrs M has used the vehicle, and would have had to have paid something to keep herself mobile if the vehicle rejection had been allowed to take place.

I then considered if a payment for distress and inconvenience was relevant in this case. I do think that Mrs M has encountered inconvenience in the issues themselves as well as having to take time and effort to try to have them resolved over time. As a result, I agree that VWFS should pay Mrs M £150 to reflect this.

I appreciate why Mrs M has asked for additional costs to be considered, however I can't consider the home charger point, and don't consider VWFS should be liable for the one Mrs M proceeded with as this was a decision taken by Mrs M. I also do not find it fair to include public charging costs for the same reasons. I have explained above why it is fair that Mrs M does not receive a full refund of monthly instalments made.

My final decision

For the reasons explained, my final decision is I uphold Mrs M's complaint and instruct Volkswagen Financial Services (UK) Limited trading as Seat Financial Services must follow my directions above to do the following:

- End the finance agreement and collect the vehicle as outlined above.
- Refund Mrs M's advance payment or part exchange contribution amount as outlined above.
- Refund a portion of some monthly payments as outlined above.
- *Pay 8% simple yearly interest on all refunded amounts from the date of payment until the date of settlement;
- Pay Mrs M £150 for distress and inconvenience.
- Remove any incorrect adverse information from the customer's credit file in relation to the agreement.

*HM Revenue & Customs requires Volkswagen Financial Services (UK) Limited trading as Seat Financial Services to deduct tax from the interest amount. Volkswagen Financial Services (UK) Limited trading as Seat Financial Services should give Mrs M a certificate showing how much tax it has deducted If she asks for one. Mrs M can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 6 March 2026.

Jack Evans
Ombudsman