

The complaint

Mr K complains about the quality of a car he acquired under a conditional sale agreement with Volvo Car Financial Services UK Limited (VCF).

When I refer to what Mr K and/or VCF said or did, it should also be taken to include things said or done on their behalf.

What happened

In October 2023, Mr K entered into a conditional sale agreement with VCF to acquire a brand-new car. The cash price of the car was around £47,793. There was one payment of £640.20 followed by 35 consecutive monthly payments of £640.08.

Mr K said that from the first day of acquisition he had numerous issues with the car. He said some of the issues had been resolved. However, Mr K said that all main issues with the dangerous Road Sign Information (RSI) system and with the radio still persist. The RSI being faulty, in turn, affects the car's Auto Speed Limiter (ASL) and the Adaptive Cruise Control (ACC). The car has been seen by the manufacturer's dealership on many occasions, and the technicians cannot find faults recorded in car's computer, but Mr K said they agree there are issues. Mr K believes the car is not safe to drive. As such, he thinks the safest option is for the car to be returned and for him to receive a full refund.

In May 2025 VCF wrote to Mr K and said that the SatNav and radio issues have been investigated and the dealership could not find or replicate the fault. In summary, VCF said they could not uphold Mr K's complaint.

Mr K remained unhappy, so he referred his complaint to the Financial Ombudsman Service (Financial Ombudsman).

Our investigator considered Mr K's complaint. The investigator was of the opinion that, most likely, there has been some faults with the car and multiple repairs were carried out to the door seal/trim, auxiliary tensioner, and bonnet catch. The investigator was of an opinion that VCF should pay £350 for any distress or inconvenience that Mr K experienced as a result of these issues. However, the investigator said they were not satisfied that they have seen sufficient evidence to conclude presence of a fault with the car, when it comes to the radio voice commands and the RSI.

Mr K did not agree with the investigator. As such, 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.

Where evidence is unclear or in dispute, I reach my findings on the balance of probabilities – which is to say, what I consider most likely to have happened based on the evidence available and the surrounding circumstances.

In considering what is fair and reasonable, I need to take into account the relevant rules, guidance, good industry practice, the law and, where appropriate, what would be considered good industry practice at the relevant time. Mr K acquired the car under a conditional sale agreement, which is a regulated consumer credit agreement. Our service can look at these sorts of agreements. VCF is the supplier of goods under this type of agreement and is responsible for dealing with complaints about their quality.

I have summarised this complaint very briefly, in less detail than has been provided, and largely in my own words. No discourtesy is intended by this. If there is something I have not mentioned, I have not ignored it. I have not commented on every individual detail. But I have focussed on those that are central to me reaching, what I think is, the right outcome. This reflects the informal nature of the Financial Ombudsman as a free alternative to the courts.

Also, I am only considering the aspects VCF are responsible for and the ones I am able to look at. I cannot look at certain actions and/or inactions of the dealership/broker or the car manufacturer which Mr K might be unhappy about. As such, I am only looking at the events that have been raised by Mr K with VCF and the ones they were provided an opportunity to address in their May 2025 correspondence.

The Consumer Rights Act 2015 (CRA) covers agreements such as the one Mr K entered into. Under this agreement, there is an implied term that the goods supplied will be of satisfactory quality. The CRA says that goods will be considered of satisfactory quality where they meet the standard that a reasonable person would consider satisfactory – taking into account the description of the goods, the price paid, and other relevant circumstances. I think in this case those relevant circumstances include, but are not limited to, the age and mileage of the car and the cash price. The CRA says the quality of the goods includes their general state and condition, as well as other things like their fitness for purpose, appearance and finish, freedom from minor defects, safety, and durability.

In Mr K's case, the car was brand new, with a cash price of £47,793. Given that the car was new and considering the price paid, I think it is fair to say that a reasonable person would expect it to be of a higher quality than a cheaper and/or previously used car. I think it would also be reasonable to expect the car to last a considerable period of time before any problems occurred, and it would be reasonable to expect it to be free from even minor defects shortly after it was acquired.

Mr K thinks that he should be entitled to reject the car and get all his payments refunded.

The CRA sets out that Mr K has a short term right to reject the car within the first 30 days, if the car is of unsatisfactory quality, not fit for purpose, or not as described, and he would need to ask for the rejection within that time. Mr K would not be able to retrospectively exercise his short term right of rejection at a later date.

The CRA does say that Mr K would be entitled to still return the car after the first 30 days, if the car acquired was not of satisfactory quality, not fit for purpose, or not as described, but he would not have the right to reject the car until he has exercised his right to a repair first – this is called his final right to reject. This would be available to him if that repair had not been successful.

First, I considered if there were faults with the car.

From the evidence on file, I think most likely, there were some faults with the car. The dealership on a few occasions carried out repairs to the door seal(s)/trim(s), auxiliary tensioner, and bonnet catch.

Based on all the above, I think the car was, most likely, faulty. However, just because a car was faulty does not automatically mean that it was of unsatisfactory quality when supplied. So, I have considered if the car was of unsatisfactory quality when it was supplied to Mr K.

From the available evidence I can see that Mr K reported faults with the car's door trim, auxiliary tensioner, and bonnet catch at various points, with the earliest report dating to one month after acquisition when the car had travelled just over 1,000 miles. The last report was at around 19 months into the agreement, when the car had travelled just a bit more than 15,000 miles.

Given the age, mileage of the car, and the price paid, combined with how quickly Mr K raised the issues, I think most likely, the car was of unsatisfactory quality when it was supplied to him. I believe a reasonable person would not expect a new car of this price to experience the faults it did when they occurred. As such, I think VCF needs to take some action to put things right for Mr K.

Repairs to the above-mentioned faults have already been carried and these repairs seem to have fixed those faults. However, dealing with these has caused Mr K distress and inconvenience and, while the repairs were completed, he was without his car. It seems the dealership had to look at the car on about five occasions, as it was of unsatisfactory quality. As such, I have considered the loss of use Mr K had. I understand that Mr K was provided with courtesy cars on some of the occasions and that he was only without a car for days rather than months. As such, I have considered his loss of use under one compensation payment, together with the distress and inconvenience that had been caused. Mr K had told us he had to take the car back more than once and spend time trying to resolve this issue. I think Mr K would not have experienced all of this, had VCF supplied him with a car that was of a satisfactory quality. So, I think VCF should pay him a total of £350 in compensation to reflect the impact this situation had on him, including the distress and inconvenience that was caused.

I know Mr K said that he does not feel safe in the car, and I understand that he still thinks there are issues with the car that would allow him to now reject the car. Specifically, Mr K thinks that there are issues with the radio and RSI.

Mr K said that the voice command for the radio tuning responds to FM rather than DAB and that he was mis-sold the feature of the radio voice command because, he said, FM is due to be phased out in a few years. Mr K also provided us with evidence, including many videos, which show different figures to the ones on the road.

I have considered everything Mr K has provided and told us about these issues; however, I have not seen enough evidence to be able to say that, most likely, there are faults with either the radio or the RSI system.

The car's manufacturer has indicated that, when the voice command is used, the car tunes into the requested station on FM which, they said, is the same on similar cars to Mr K's. As such, I have not seen evidence that would allow me, on balance, to conclude that there is a fault with the radio.

In addition, I have not seen enough evidence to be able to say that the radio working system was mis-sold or misrepresented to him. I have not seen enough evidence to show that he was given a false statement of fact that induced him into entering into the finance agreement

in question. Also, I have not been provided with anything else that would allow me to say, on balance, that the car was mis-sold to him for any other reason.

Regarding the RSI system, I have come to a similar conclusion. Here again I do not have enough information to be able to say that on balance the car has a faulty RSI system. The RSI system's operation can be affected by many factors; among them, there are external factors such as faded, damaged/worn out signs and even how they are positioned/angled on the road. Also, signs may be affected by weather conditions and they might be obstructed or partially covered by certain debris such as rain, snow, fog etc. As such, when the car's system cannot properly read the sign, the system sometimes will revert to the digital map's information, which may not always be correct or up to date. Considering all the above, combined with the fact that I have seen no reports from any garage indicating that a fault with this system exists, I cannot say that, most likely, the RSI system is faulty.

Mr K has also mentioned a few other aspects such as that his auto feature once failed, the sat nav diverted him incorrectly, he had a yellow strip on the screen, and has questioned a rubber strip in the passenger footwell. However, I have not seen enough to be able to say that these are faults and ones that would render the car of unsatisfactory quality. Overall, I cannot say that any of the above faults would render the car of unsatisfactory quality, except the ones I mentioned earlier but those have already been fixed.

I know that this is not the ideal outcome that Mr K would like and I would like to express my sympathy for the position he is in, as I know it has been a difficult time for him. However, I think that aside from paying Mr K £350 for the distress and inconvenience caused, VCF is not required to take any further action.

My final decision

For the reasons given above, I direct Volvo Car Financial Services UK Limited to pay Mr K a total of £350 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 19 January 2026.

Mike Kozbial
Ombudsman