

The complaint

Mr I complains that a car supplied under a hire purchase agreement with RCI Financial Services Limited trading as Mobilize Financial Services (“Mobilize”) wasn’t of satisfactory quality when it was supplied to him.

What happened

Both parties are familiar with the background of this complaint so I will only summarise what happened briefly here.

In June 2024, Mr I entered into an agreement to acquire a used car. The car was provided by a dealership (S), and Mr I paid a deposit of £3,500. The purchase balance was provided under a hire purchase agreement with Mobilize. The agreement was for 49 months, with 47 monthly repayments of £178.85, one payment of £178.99 and an optional final payment of £19,462.50 if Mr I wanted to keep the car at the end of the agreement. The cash price of the car was £23,859.

In mid-July 2024 Mr I returned the car to S. The car had lost power suddenly, and Mr I also reported concerns with it braking and accelerating intermittently, and a problem with the bonnet, which had flown open while he’d been driving. S replaced the battery and secured the bonnet – and Mr I was provided with a courtesy car while the work was completed.

However, Mr I got in touch with Mobilize in February 2025 to raise a complaint. He said there were further faults with the car, which aligned with safety recall notices outstanding. Mr I said that the doors sometimes didn’t open, rendering the car unsafe to drive, and that the intermittent braking on uneven road surfaces continued. He said that, as the manufacturer had gone into liquidation, it wasn’t possible to maintain and service the car. He said these issues made the car of unsatisfactory quality under the Consumer Rights Act 2015 (CRA), as it wasn’t sufficiently durable and it was unsafe. Mr I wanted to reject the car.

Mobilize didn’t respond within the required time, so Mr I brought his complaint to our service. While our investigator was looking into things, Mobilize sent their final response letter to Mr I. They didn’t uphold this complaint. They said S had confirmed they had not seen the car since it had been supplied, and the outstanding recall notices didn’t apply to Mr I’s car. They also said he needed to provide a diagnostic report, or other evidence, to confirm the car wasn’t of satisfactory quality when it was supplied to him.

Our investigator didn’t uphold Mr I’s complaint for broadly the same reasons as Mobilize. She said that Mr I hadn’t evidenced the faults and hadn’t provided any independent evidence to suggest the car had faults.

Mr I didn’t accept this. He said he had shown the car had been back to S in July 2024 for battery replacement, and he’d told them of the other issues at this time. He also provided evidence to show one of the doors didn’t open from inside or outside, leaving the passenger trapped in the car.

As Mr I didn't agree, the complaint was passed to me to decide. I issued a provisional decision on 8 December 2025. It said:

'I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

When considering what is fair and reasonable, I'm required to take into account: relevant law and regulations, relevant regulatory rules, guidance and standards and codes of practice.

The fact the car was supplied to Mr I under a hire purchase agreement means that the credit provider, Mobilize in this case, has responsibility for things that were said or done by S prior to Mr I's entry into the agreement.

However, I'm only looking at Mobilize's responsibility here as the finance provider for the car. Mr I has voiced concerns about S and has been engaged in conversation with them post-sale – but at that time S weren't acting as agents of Mobilize and Mobilize can't be held responsible for anything S have said or done post-sale.

As the hire purchase agreement entered by Mr I is a regulated consumer credit agreement this service is able to consider complaints relating to it. Mobilize are also the supplier of the goods under this type of agreement and are responsible for a complaint about their quality.

The CRA also covers agreements like the one Mr I entered. Because Mobilize supplied the car under a hire purchase agreement, there's an implied term that it is of satisfactory quality at the point of supply. Cars are of satisfactory quality if they are of a standard that a reasonable person would find acceptable, taking into account factors such as, amongst other things, the age and mileage of the car and the price paid.

The CRA also says that the quality of goods includes their general state and condition, and other things like their fitness for purpose, appearance and finish, freedom from minor defects and safety can be aspects of the quality of the goods.

Satisfactory quality also covers durability. For cars, this means the components must last a reasonable amount of time. Of course, durability will depend on various factors. In Mr I's case, the car was brand-new when it was supplied, so I'm satisfied a reasonable person would expect it to be fault-free for a significant period of time.

Our investigator has said that she doesn't think there's enough evidence to show the car wasn't of satisfactory quality when it was supplied to Mr I. However, I don't agree in this case. I think Mr I has shown that the car had faults from the point of supply, meaning it was of unsatisfactory quality. I'll explain why.

Mr I initially made Mobilize aware of his concerns with the car in February 2025, eight months after he'd been supplied with it. So, I need to consider if Mobilize have done what I'd expect them to have done once they were aware there were problems with the car. As this was outside of six months since Mr I had been supplied with the car, it was for him to show any faults would have been present at the point of supply.

Mr I has shown evidence that he returned the car to S shortly after taking delivery of it, as the car had suddenly lost power. At this time, S replaced the battery – and they also had to secure the bonnet as it had flown open when Mr I had been driving. I'm satisfied that S's willingness to replace the battery and secure the bonnet is enough evidence to suggest the car wasn't of satisfactory quality when it was supplied to Mr I. The car had been supplied brand-new only a couple of weeks earlier, and I don't think it's reasonable to expect a battery to need replacing within that time. When Mr I reported the battery and bonnet issues to S, he

also commented that the car was braking intermittently at odd times. Although S replaced the battery, no comment was made about the intermittent braking issue Mr I had brought to their attention.

Mobilize's main argument here seems to be that Mr I hasn't provided any diagnostic reports or inspection reports to show that the car is unsatisfactory, and he hasn't allowed S the opportunity to run a diagnostic test on the car to assess if any faults are present. However, I don't think that would help to identify any problems. I say that because the manufacturer has ceased trading, and the diagnostic test required isn't something that any dealership can do. It's specific to the manufacturer and the equipment to facilitate such a test isn't available to all dealerships – so Mr I returning the car to S for an inspection isn't going to be the solution in this case.

But, what Mr I has provided is evidence that confirms at least one of the faults he's experiencing is a known fault with this model of car and was subject to a product safety recall. Mr I has provided video evidence of the passenger door not opening from the inside or outside when the car is stationary – which is something that has been noted as a safety issue as part of a safety recall that is outstanding. Whilst I appreciate the safety recall notices were produced in the US, I'm more satisfied than not that the issue is also being experienced by Mr I and is a generic issue to this model of car. Similarly, Mr I initially reported a concern to S that the car was braking intermittently, and he confirmed that issue to Mobilize when he raised his complaint. That is also a known safety issue with this model of car and has also been the subject of a safety recall notice.

As mentioned previously, the CRA also includes safety. And I'm satisfied the faults Mr I is reporting affect the safety of the car and the passengers within it. And there doesn't seem to be a remedy for these issues.

The CRA sets out that (outside the first 30 days) if the car isn't of satisfactory quality, there's been a repair attempt, and the car still doesn't conform to the contract, Mr I should be able to reject it. In this case, there was a previous repair when the battery was replaced in July 2024, and the outstanding issues seem to have no remedy and, as such, they mean that the car doesn't conform to the contract. Also, I'm more satisfied than not that the issues Mr I has with the car are a safety issue, and I don't think it's reasonable to expect him to keep the car with very little prospect of any of the issues being able to be remedied. It is also going to be impossible for Mr I to fulfil the terms of the hire purchase agreement, as he isn't able to maintain or service the car in accordance with the manufacturer's recommendations, as the manufacturer hasn't made any allowance for that prior to going out of business. So, not only am I satisfied that there was a repair attempt by S in July 2024, I'm also more satisfied than not that the car isn't safe. Further, I'm not persuaded it's fit for purpose as there is no possibility of maintaining it for the duration of the agreement.

It follows that I'm planning to say that Mr I can reject the car and Mobilize should end the agreement and make arrangements with Mr I to collect the car at no cost to him. Mobilize should also refund Mr I's deposit to allow him to be in the same position as he was prior to the agreement commencing, so he can consider his options for a new car. However, there are some other considerations to be made here. Mr I has had use of the car, and I think it's fair that he should pay for that use.

The CRA explains that a charge can be applied to reflect the use Mr I has had of the car in the period since it was supplied to him. It doesn't set out how to calculate fair usage and there's no set formula for me to use. There isn't an industry standard mileage figure. My role is to decide cases quickly and informally – so I have to take account of the use Mr I has had while the car has been in his possession. Mr I has confirmed the current mileage of the car is approximately 8,000, and he is using it for necessity only as he isn't able to arrange another

car at the moment. But it isn't possible for me to say what Mr I's 'standard' use of the car might have been – I don't think that can be clarified, so I have to make a decision that I think is most reasonable. In this case, I think it's fair for Mobilize to keep the monthly payments Mr I has made to date; to reflect the use he's had of the car – and as mentioned previously, they should refund his deposit along with 8% simple interest.

Mr I has explained the upset he's been caused by being supplied with a brand-new car of unsatisfactory quality. It's clearly been a troubling time for him. No amount of money can change what's happened, but the amount of compensation I'm planning to award is in line with what's awarded where the impact of the mistake has caused considerable distress, upset and worry. I'm planning to ask Mobilize to pay Mr I £400 to reflect the upset having a new car of unsatisfactory quality has brought to him. They must also remove any adverse information, in relation to this agreement, from Mr I's credit file if applicable.'

Mr I responded to the provisional decision and accepted it. He confirmed the mileage is approximately 10,000 as opposed to 8,000. He also said that he'd paid £417.60 for a spare key and some key cards for the car, and he felt he should be reimbursed for that.

Mobilize also responded, and provided some further information from S. Mobilize and S said, in summary:

- The ombudsman had incorrectly referred to the car as being brand-new at supply, as they had purchased it from auction and Mr I was the second registered keeper.
- They hadn't replaced the 12v battery when Mr I had returned the car to them in July 2024 and had only offered to refund his cost for his new battery as a gesture of goodwill.
- Mr I hadn't made them aware of any other concerns with the car when he had returned it in July 2024, such as a braking issue.
- There are EV specialists situated within an hour of Mr I's home address who will be able to maintain and service the car. S also confirmed they had the diagnostic equipment to help. They also said it was the manufacturer's intention to provide an approved repairer network, but that had never come into fruition.

I shared Mobilize's and S's comments with Mr I. He refuted their comments about not notifying S about any other faults in July 2024. He also felt he was the first registered keeper of the car, and he considered it to be brand-new when supplied. He didn't agree that the car could be maintained and serviced as expected by the manufacturer, and any maintenance, service or repair work would now be at his own risk as there was no manufacturer support available. He maintained the car wasn't fit for purpose.

I also responded to Mobilize. I said, in summary:

- I accepted the car wasn't brand-new when supplied. The V5 document supplied by Mr I confirmed that. But for the purposes of the CRA that didn't make a difference to what Mr I should have expected of it. It had only covered 11 miles and was only a month old when he acquired it – so a reasonable person would expect it to be remain free from any defects for a significant period of time.
- Based on the evidence provided, I'm satisfied S did replace the battery Mr I had fitted in July 2024 when he returned the car to them. The car has a different brand of battery fitted.
- Mr I did make S aware of other concerns with the car when he returned it to S in July 2024. An email dated 15 July 2024 said '*...I also forgot to mention there is a clicking on braking and accelerating intermittently.*' This was enough, in my opinion, to constitute Mr I notifying S of a potential fault with the car. This fault wasn't

investigated and continued to be a fault that Mr I brought to Mobilize's attention in February 2025.

- As S had previously had an opportunity to investigate the fault with the braking, I'm satisfied the one opportunity to repair under the CRA has been provided. As a result, Mr I can now reject the car.
- The lack of a manufacturer approved repair network suggests that any work Mr I needs on the car will be at his own expense and risk. I remain of the opinion that this renders the car as unfit for purpose.
- In addition to the resolution proposed in my provisional decision, I would also be asking Mobilize to reimburse Mr I for the spare key and key cards he paid for.

As Mobilize haven't responded to my latest communication by the deadline provided, I've moved on to make a final decision on this case.

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.

Firstly, I'd like to thank both the parties for responding promptly to the provisional decision. I've attempted to summarise above the submissions I've received from both Mr I and Mobilize, but I want them to know that I've carefully considered all the points they made and the evidence they provided.

However, I don't intend to address the same points that I covered in my provisional decision or in my subsequent emails to both parties again. I'm satisfied both parties have had the opportunity to respond, and I have explained my thoughts clearly to both following the provisional decision and the provision of additional evidence.

As I don't consider I've been provided with any further information to change my decision I still consider my findings, and additional comments, to be fair and reasonable in the circumstances.

As a reminder, Mr I is able to reject this decision if he thinks he can achieve a better outcome by alternative means, such as through the courts.

My final decision

For the reasons above, I uphold this complaint. RCI Financial Services Limited trading as Mobilize Financial Services must:

- End the finance agreement ensuring Mr I isn't liable for monthly repayments after the point of collection (they should refund Mr I any overpayment for these if applicable).
- Take the car back (if that has not been done already) without charging Mr I for collection.
- Refund Mr I's deposit of £3,500.
- Refund Mr I £417.60 for the spare key and key cards, provided these are returned with the car.
- Pay 8% simple interest on all refunded amounts, from the date of payment until the date of settlement.*
- Pay Mr I £400 compensation to reflect the upset he's been caused by being supply with a new car of unsatisfactory quality.
- Remove all adverse information, in relation to this agreement, from Mr I's credit file (if applicable).

*If RCI Financial Services Limited trading as Mobilize Financial Services consider that they're required by HM Revenue & Customs to deduct income tax from that interest, then they should tell Mr I how much they've taken off. They should also give Mr I a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

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

Kevin Parmenter
Ombudsman