

The complaint

Mr S complains that the car he acquired financed through a hire purchase agreement with Volkswagen Financial Services (UK) Limited ("VFS") wasn't of satisfactory quality.

What happened

In June 2023 Mr S acquired a used car financed through a hire purchase agreement with VFS. Mr S said that within a few weeks of owning the car he experienced several issues including:

- squeaking/creaking noise from the sunroof
- distorted front centre speaker which occasionally makes popping noises
- rattle from rear seat catch

The car was booked into a manufacturer's garage in October 2023 and Mr S said he was told the issues were resolved. But Mr S said he continued to have problems including rattles, intermittent issues with charging, further distortion from the speaker, continued creaking from the sunroof and issues with the infotainment system. Mr S said repairs were attempted in 2024 and 2025 but the problems still persisted. He raised a complaint with VFS.

In its final response VFS said it was satisfied faults were not present at the point of sale. It offered Mr S £150 as a gesture of goodwill, which was half of his monthly rental as he was kept mobile during repairs with a courtesy car, but it was not a like for like car. Mr S wasn't happy and brought his complaint to this service.

Our investigator concluded that the car was of satisfactory quality when supplied. Mr S didn't agree and asked for a decision from an ombudsman. I issued a provisional decision on 1 December 2025. I said:

"In considering what is fair and reasonable I need to have regard to the relevant law and regulations, regulator's rules, guidance and standards, codes of practice and (where appropriate) what I consider having been good industry practice at the relevant time. Mr S's hire purchase agreement is a regulated consumer agreement and as such this service can consider complaints relating to it.

VFS, as the supplier of the car, was responsible for ensuring it was of satisfactory quality when it was supplied to Mr S. Whether or not it was of satisfactory quality at that time will depend on several factors, including the age and mileage of the car and the price that was paid for it. The car was about two and a half years old, had been driven for 6,860 miles and had a price of £24,490. Satisfactory quality also covers durability which means that the components within the car must be durable and last a reasonable amount of time – but exactly how long that time is will depend on several factors.

I'm persuaded there are faults with the car. I say this because I've seen invoices/job sheets noting various issues and video/audio of creaking and rattling in the car. I also find Mr S's testimony credible. Mr S has outlined problems with:

- *Squeaking/creaking noise from the sunroof*
- *Distorted front centre speaker*
- *Various rattles around the car – inc. knocking noise from steering column*
- *Intermittent issues with the reversing camera*
- *Charging errors*
- *Infotainment system errors*

If I am to decide the car wasn't of satisfactory quality I must be persuaded faults were present at the point of supply. Faults that developed afterwards are not relevant, moreover even if the faults reported were present at the point of supply this will not necessarily mean the car wasn't of satisfactory quality. This is because a second-hand car might be expected to have faults related to reasonable wear and tear.

Squeaking/creaking noise from the sunroof

Mr S first reported issues with the car in October 2023, within four months of acquiring it. Specifically he reported that the sunroof was noisy – creaking and squeaking and the front centre speaker was distorted. He provided an audio recording of the sunroof noise while driving. In an email the dealership has accepted that it had the car in for repair at this time and repairs were carried out to the sunroof. The job sheet provided by VFS notes the car was repaired on 20 October 2023 and the mileage was recorded as 8,977.

*I've seen a copy of a job sheet dated 8 August 2024. It says:
"Investigated creaking from panoramic roof, requires lubricating runners and sunroof frame."*

Another job sheet dated 8 July 2025 says: "Creaking sunroof"

Mr S reported the problem to the dealership within four months. The dealership carried out repairs. But the issue has persisted for longer than two years so it seems more likely than not this issue was present or developing at the point of sale and is possibly a manufacturing fault or the parts are not sufficiently durable. I'm persuaded this issue means the car wasn't of satisfactory quality at the point of sale. The dealership is entitled to attempt a repair and it has done so twice to the panoramic roof. These repairs appear to have failed.

Charging errors

Mr S has said the issues charging the vehicle were present from the start. The dealership said in its email dated 10 September 2025 that the charging issue wasn't reported to it. But I've seen a copy of the job sheet/ELSA report (manufacturer's dealer workshop report) provided by VFS. On 29 November 2023 it says under customer complaint – "vehicle not charging". So I'm persuaded the issue was raised within six months of Mr S acquiring the car. The job sheet doesn't state what repairs were done. Mr S told this service a software update was carried out which did improve the issue but did not resolve it. Mr S said he reported it again in August 2024 but was incorrectly advised the issue was not covered by warranty. He said he reported it again in June 2025 and was advised a software update will resolve the issue, but a software update has been carried out and the issue persists. Given that Mr S reported the issue within the first five months it does seem possible it was present at the point of sale, and as the issue persists that there is problem with durability.

Distorted front centre speaker

Mr S has said the issues with the speaker were present from the start. While I'm not disputing his testimony here I haven't seen evidence they were present when Mr S took delivery of the car. The dealership said in its email dated 10 September 2025 that it fixed the sunroof in 2023 but it didn't confirm it fixed the speaker. So while I don't dispute the faults exist I'm not persuaded they were present or developing at the point of sale.

Other issues:

- *Intermittent issues with the reversing camera*
- *Various rattles around the car – inc. knocking noise from steering column*
- *Infotainment system errors*

Mr S has reported the above problems to the dealership and some repairs have been carried out although Mr S has said the infotainment system reboots intermittently while driving. But again I've not seen evidence (job sheets or independent inspection) these problems were present or developing at the point of sale.

I'm minded to say the problem with the panoramic roof was likely present or developing at the point of sale. The issue occurred within the first six months from supply and Mr S has confirmed the issue still exists. So, under the Consumer Rights Act 2015 Mr S should be able to reject the goods as it doesn't conform to the contract. Subsequent repairs have failed so I now think it fair and reasonable that Mr S be allowed to reject the car. Mr S has been able to use the car but I'm minded to ask VFS to refund 10% of all payments because his use has been impaired by issues with the sunroof. VFS has paid Mr S £150 in compensation. But I think it should go further and pay another £100 for the distress and inconvenience this may have caused."

Both parties accepted my provisional findings.

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.

As both parties have accepted my provisional decision I see no reason to depart from its conclusions.

Putting things right

To put things right VFS must:

- End the finance agreement with nothing further for Mr S to pay.
- Collect the car at no cost to Mr S
- Refund 10% of all rentals paid to date of settlement
- Refund advance payment of £3,268.83
- Pay 8% simple yearly interest on all refunded amounts from the date of payment until the date of settlement
- Pay a further amount of £100 for any distress or inconvenience that's been caused due to the faulty goods
- Remove any adverse information from the customer's credit file in relation to the agreement.

My final decision

My final decision is I uphold this complaint and Volkswagen Financial Services (UK) Limited must put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 14 January 2026.

Maxine Sutton
Ombudsman