

The complaint

Mr O complains about the quality of a car supplied to him by Mercedes-Benz Financial Services UK Limited ("MBFS").

What happened

Mr O has been helped to bring his complaint by a third party, but for simplicity, I will always refer to Mr O. This complaint has also been ongoing for a long time, so I will summarise the key points below for this decision, rather than list every detail.

Mr O entered into a hire purchase agreement with MBFS in June 2023 for the supply of a new car. Within the first few months he has told us he had issues with the car. Mr O has said about the battery having drained in July 2023 and said this happened several further times. I note there is a breakdown report provided by MBFS for August 2023 which says Mr O couldn't get entry to the vehicle with the key fob, and the breakdown service allowed access to be gained and the car was driven to a dealership where no issues were identified.

Then in late September 2023, there is a note of a mechanical issue being reported by Mr O where the car had applied the brakes for an emergency stop unexpectedly, but the car had been examined at the dealership, and no faults could be found.

Mr O has told us that there were other things he was unhappy with including the navigation system, and that by November 2023, he had lost faith in the car and decided to part exchange it for another. He has told us that he considered the car not fit for purpose and did not want to travel in it. On this basis, he thinks MBFS should process his part exchange as a rejection because the part exchange cost him a lot of money including no return of his deposit paid.

It would seem he complained to the manufacturer initially but eventually raised a complaint to MBFS and they responded in February 2024 but didn't uphold the bulk of his complaint. They made a small uphold of £200 for inconvenience caused but did not agree he could reject the car or receive compensation for it.

Mr O then referred this complaint to our service in August 2024, An investigator here investigated it and didn't uphold it in February 2025. However, Mr O had further questions, and these were discussed over several months with the investigator until June and July 2025 when the investigator stopped responding (I believe he may have left the service). When this was recognised in August 2025, the complaint was given to a different investigator, who investigated it again and didn't uphold it. They explained that they weren't persuaded that the car was of unsatisfactory quality, and weren't asking MBFS to do anything more here.

After further discussions with the Investigator and questions, Mr O asked for an Ombudsman to make a final decision.

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.

Having done so, I've reached the same overall conclusions as the investigator, and for broadly the same reasons. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome. Where evidence has been incomplete or contradictory, I've reached my view on the balance of probabilities – what I think is most likely to have happened given the available evidence and wider circumstances.

In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and (if appropriate) what I consider was good industry practice at the time. Mr O was supplied with a car under a hire purchase agreement. This is a regulated consumer credit agreement which means we're able to investigate complaints about it.

The Consumer Rights Act 2015 ('CRA') says, amongst other things, that the car should've been of a satisfactory quality when supplied. And if it wasn't, as the supplier of goods, MBFS are responsible. What's satisfactory is determined by things such as what a reasonable person would consider satisfactory given the price, description, and other relevant circumstances. In a case like this, this would include things like the age and mileage at the time of sale, and the vehicle's history and its durability. Durability means that the components of the car must last a reasonable amount of time.

The CRA also implies that goods must conform to contract within the first six months. So, where a fault is identified within the first six months, it's assumed the fault was present when the car was supplied, unless MBFS can show otherwise. But where a fault is identified after the first six months, the CRA implies that it's for Mr O to show it was present when the car was supplied.

So, if I thought the car was faulty when Mr O took possession of it, or that the car wasn't sufficiently durable, and this made the car not of a satisfactory quality, it'd be fair and reasonable to ask MBFS to put this right.

This complaint has become incredibly convoluted with lots of debate around each small detail discussed. I don't intend to issue this final decision along those lines and will instead focus on the crux of Mr O's complaint and try to provide a quick and informal final response for him, which is the remit for our service.

The crux of the complaint is that Mr O feels the car was of unsatisfactory quality, and he should have been allowed to reject it, meaning he would be in a much better position financially than he was after part exchanging the car.

Mr O has referenced the manufacturer, and the dealer, as well as MBFS. For clarity, this complaint is only to MBFS. They actually supplied the car on finance to Mr O, not the dealer or manufacturer. As such, under the relevant legislation, only the supplier of the car is responsible for the quality of it. So, whilst I have considered evidence provided from the dealership, this is only in their role as the broker of this finance agreement, so acting on behalf of MBFS, who are responsible for their actions surrounding the supply of the car.

I'm sorry to read that Mr O lost faith in the car and didn't want to drive it anymore, but to decide the car was unsatisfactory quality, I need to follow the relevant legislation, the CRA, as discussed above. In this instance, as Mr O has rightly pointed out, the issues presented within the first six months, meaning that the burden of proof sits with MBFS to show the car was of satisfactory quality.

I've examined the evidence provided, and I'm not persuaded that the car was of

unsatisfactory quality. Mr O has discussed returning from a holiday to find the battery was drained and this also happening several further times. I'm afraid that a battery, even if it had failed, wouldn't persuade me that he had the right to reject the car. The battery is a part which may need replacing from time to time, and I've seen no details about how the battery ended up drained. This could be for numerous reasons, some of which may have been faults, and some might have been user error. It isn't an identified fault unless it can be evidenced that it is faulty.

Without more detail, and for an issue with so many potential causes, and so simple potentially to fix or replace, I can't say this makes the car of unsatisfactory quality.

The second issue Mr O has raised was the car computer system instigating an emergency stop itself, presumably when he hadn't applied the brakes himself. Again, MBFS have provided evidence that this issue was investigated when he raised it, and no fault could be found with the car.

Ultimately, MBFS have provided evidence that their broker (the dealership) investigated the concerns raised by Mr O and could find no faults with the car. Mr O argues that the CRA says that they need to prove the car was of satisfactory quality because the faults he describes happened inside the first six months. But his only evidence is his own testimony, and MBFS have provided the evidence of the car being examined by mechanics, and no faults being identified. Without clearly identified faults, I can't say that MBFS are to blame or the car is of unsatisfactory quality.

Alongside this, Mr O part exchanged the car before raising a complaint with MBFS and waiting for their response. This meant that MBFS had no further opportunity to examine the car to look for more evidence of the issues he has complained about.

It would be unfair on MBFS based on the evidence available to uphold the complaint. Whilst I have no reason to doubt the testimony provided by Mr O, he isn't a mechanic as far as I know and certainly hasn't presented his testimony as such. Something would have caused the battery to drain, and that something may not have been a fault with the car. The mechanics couldn't find a fault when they examined the car. Similarly, Mr O has said the car instigated an emergency stop itself, but we have no proof of where the car was, or whether there was any hazard nearby which might have rightly caused the car to stop. And after mechanics examined the car, they could find no fault.

Mr O has referenced another decision he has seen from our service that he feels is similar and the complaint was upheld at our service. As he's been told, we don't consider any one case as evidence of a wider problem, as each case is investigated on its own merits. In his case, the evidence of the issues he describes is just his testimony, and there is no evidence to back up his testimony. Whereas MBFS have provided evidence of breakdown reports which identified no faults, and results of the car being checked by mechanics, who've also found no faults.

I can appreciate that Mr O has been confused by the various parties involved in this issue, and who has offered what redress. From our point of view, I'm only considering MBFS, and they paid him £200 to recognise inconvenience caused regarding the issues he raised when he complained. This is fair, in fact I'd argue its more than fair based on the limited evidence I've seen of any problems he has suffered here. I won't be asking MBFS to do anything more here.

My final decision

I am not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 5 February 2026.

Paul Cronin
Ombudsman