

## The complaint

Mr M complains about a car supplied to him using a conditional sale agreement taken out with Volvo Car Financial Services UK Limited (“VCFS”).

## What happened

In June 2024, Mr M acquired a brand-new car using a conditional sale agreement with VCFS. The cash price of the car recorded on the agreement was £39,005.01, the agreement was for 49 months, made up of 48 regular, monthly repayments of £379.65, followed by a final payment of £18,057. The advance payment recorded on the agreement was £4,743.50.

Mr M says that since the day he acquired the car, he had problems with it. Mr M said the windscreen was replaced and further issues appeared after the repair. Mr M said the car would fill with condensation and puddles of water would form on the dashboard.

Mr M also said several warning messages continued to appear on the car’s dashboard, which worsened since the car’s windscreen was repaired in August 2024. Some of the messages Mr M said he saw were, “*Collision avoidance system unavailable*”, “*windscreen sensors blocked*”, “*Active high beam unavailable*”, and “*Parking brake service required*”. Mr M said the car was returned to the supplying dealership for diagnostic checks and attempted repairs, but the warning messages continued to display in the car.

In December 2024, frustrated with the condition of the car, Mr M complained to VCFS.

The car was independently assessed in February 2025, and Mr M said several issues with the car were found. The car was then returned to the supplying dealership in March 2025 for it to be repaired.

The car was independently assessed again in May 2025 and Mr M said he showed the engineer the issues he experienced with the car since its March 2025 repair.

In June 2025, VCFS issued their final response to Mr M. They said the reports completed by the independent engineer concluded that no issues were found with the car at the time of inspection, but that they were presented with photos and videos by Mr M to show faults. They said a further diagnostic was required to determine a fault with the car, and that Mr M had refused to have the car inspected. VCFS partially upheld Mr M’s complaint and credited him with £250 for the overall stress and trouble caused.

Unhappy with VCFS’s response, Mr M referred his complaint to our service in June 2025.

Mr M said he took the car back to the supplying dealership to be investigated in July 2025, where stored fault codes were cleared, and said that warning messages still appeared afterwards.

Our investigator upheld Mr M’s complaint. In summary, our investigator thought the car wasn’t durable and that Mr M could reject the car. She set out what she thought VCFS needed to do to put things right.

Mr M accepted the investigator's findings. VCFS disagreed with the outcome reached as they didn't think there was a fault with the car. As VCFS disagreed with the investigator's view, the complaint was 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.

Having done so, I'm upholding this complaint and I'll explain why below.

I'm aware I have summarised events and comments made by both parties very briefly, in less detail than has been provided, largely in my own words. No discourtesy is intended by this. In addition, if there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is a fair outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as an alternative to the courts.

Mr M complains about a car supplied to him under a conditional sale agreement. Entering into consumer credit contracts such as this is a regulated activity, so I'm satisfied I can consider Mr M's complaint about VCFS.

When considering what's fair and reasonable, I take into account relevant law and regulations. The Consumer Rights Act 2015 ("CRA") is relevant to this complaint. The CRA explains under a contract to supply goods, the supplier – VCFS here – has a responsibility to make sure goods are of satisfactory quality. Satisfactory quality is what a reasonable person would expect – taking into account any relevant factors. It's important to point out in this case that the CRA specifically explains that the durability of goods can be considered part of whether they are unsatisfactory quality or not.

I would consider relevant factors here, amongst others, to include the car's age, price, mileage and description. So, it's important to note here that the car Mr M acquired was brand-new and I think a reasonable person would expect it to be in excellent condition, with no faults or issues. And I think they would expect trouble free motoring for a significant period.

What I need to consider is whether the car was of satisfactory quality when it was supplied. And in order to do that, I first need to consider whether the car developed a fault.

#### Had the car developed a fault?

VCFS do not believe there is a fault with the car, despite the dealership having had the opportunity to inspect and diagnose the car for issues.

On the other hand, Mr M has supplied several photos and videos to show that warning messages appeared on the car's dashboard intermittently throughout the time he has been in possession of it. I'm also mindful that an independent report that was completed in March 2025 concluded that a warning appeared on the car's dashboard while it was being investigated and that the car wasn't fault free.

VCFS didn't think the photos and videos Mr M supplied could be used as evidence. However, I think they can be. The photos and videos didn't dispute the findings made by the independent engineer, and in some instances, it corroborated Mr M's testimony and version of events.

Job cards from visits Mr M made to have the car repaired and inspected, as well as emails I have seen between VCFS and the dealership show that there were several fault codes diagnosed in relation to a communication error.

While I accept that a specific root cause for the issues hasn't been identified as to why the warning messages continue to display in Mr M's car, I'm satisfied, on the balance of probabilities, that there is a fault with the car, given what Mr M has supplied.

#### Was the car of satisfactory quality at the point of supply?

Given the car was brand-new when it was supplied to Mr M, I'm satisfied the car wasn't durable. I wouldn't expect a consumer to experience the issues they had with the car, so early in its lifetime. And so, I'm satisfied a reasonable person would not consider it to have been of satisfactory quality when it was supplied to Mr M.

#### Remedies under the CRA

I've gone on to think carefully about the remedies available to Mr M under the CRA. I've also thought carefully about the time that has elapsed, and the opportunity VCFS has had to resolve any issues with the car.

Section 24(5) of the CRA says:

*"a consumer who has ... the right to reject may only exercise [this] and may only do so in one of these situations – (a) after one repair or replacement, the goods do not conform to contract."*

This is known as the single chance of repair. And this applies to all issues with the goods, and to all repairs i.e. it's not a single chance of repair for the dealership *and* a single chance of repair for VCFS – the first attempted repair is the single chance at repair. What's more, if a different fault arises after a previous repair, even if those faults aren't related, the single chance of repair has already happened – it's not a single chance of repair per fault.

VCFS has said in their final response that Mr M didn't give them the opportunity for the car to be further diagnosed. But I have seen job cards from after this time, and I have seen sufficient evidence to show that warning messages still appeared on the car's dashboard. So, I'm satisfied VCFS has already had the opportunity to repair the car and I think it failed or the car has an underlying fault that was never put right.

I also think it is fair and reasonable for Mr M refusing to allow any further attempts at diagnosing and repairing the car, given the several opportunities he has already given. With that in mind, I'm satisfied Mr M should be allowed to reject the car.

#### Impaired usage

Mr M has explained that he has had issues with the car early on since he acquired the car. So, I think it is fair to say that it wasn't performing as it should have been. In the circumstances, I think it is fair and reasonable that VCFS refund Mr M 10% of his monthly repayments from August 2024 up until when the agreement ends and the car is collected.

#### Distress and inconvenience

I'm mindful of the inconvenience this complaint has had on Mr M, especially considering the several occasions he has had to take the car back to be investigated, only to be told that the

car wasn't experiencing any faults. It's fair to say that Mr M lost faith in the car, to the point where he preferred to use a hire car to take on a family holiday. VCFS has already paid Mr M £250 following their June 2025 final response. But I think VCFS needs to do more here to reflect the distress and inconvenience caused. In the circumstances, I think VCFS should pay Mr M a further £100.

### **My final decision**

For the reasons I've explained, I uphold this complaint and I instruct Volvo Car Financial Services UK Limited to put things right by doing the following:

- End the agreement ensuring Mr M is not liable for monthly rentals after the point of collection (it should refund any overpayment for these if applicable).
- Collect the car (if this has not been done already) without charging for collection.
- Refund Mr M's advance payment towards the agreement of £4,743.50. If this advance payment was made up of funds through a dealer contribution, then VCFS doesn't need to refund this amount. \*
- Reimburse Mr M 10% of repayments made towards the agreement from August 2024 to when the agreement ends and the car is collected. \*
- Pay Mr M a further £100 to reflect the distress and inconvenience caused.
- Remove any adverse information from Mr M's credit file in relation to the agreement, if any.

\* These amounts should have 8% simple yearly interest added from the time of payment to the time of reimbursement. If VCFS considers that it's required by HM Revenue & Customs to withhold income tax from the interest, it should tell Mr M how much it's taken off. It should also give Mr M a tax deduction certificate if they ask for one, so they can reclaim the tax from HM Revenue and Customs if appropriate.

If VCFS has already given compensation in relation to this specific complaint, the final amount should be less the amount already given.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 3 February 2026.

Ronesh Amin  
**Ombudsman**