

The complaint

Mr K complains about the quality of a vehicle he acquired through a hire purchase agreement financed by Volkswagen Financial Services (UK) Limited trading as Volkswagen Financial Services (VWFS).

Mr K is represented in this complaint, but for ease of reference I'll refer to Mr K directly throughout my decision.

What happened

In June 2023 Mr K acquired a used car through a hire purchase agreement. The car was around three years old, and it had travelled about 18,000 miles at the time of supply.

Mr K said he began to experience problems with the car two to three months after he acquired it, and repairs were completed for the suspension, front brake pads and discs, window wipers, air con compressor, drive motor and a new battery was fitted between August 2023 and October 2024.

Mr K's vehicle broke down again and he was told it needed a new gearbox, which was fitted in January 2025.

Mr K complained to VWFS about the quality of the car in October 2024, whilst waiting for the gearbox issue to be resolved.

VWFS sent Mr K their final response to his complaint in October 2024. They said there was no evidence of a manufacturing defect, and they didn't think the car was of unsatisfactory quality at the time it was supplied to Mr K, so they weren't responsible for the cost of any repairs. They offered Mr K a 50% refund for four of his monthly payments to reflect any distress and inconvenience caused, totalling £650, which Mr K accepted and this was paid.

In January 2025 the car failed an MOT and the back brakes, and a washer pump were replaced. The car had travelled around 47,000 miles at the time. In February 2025 Mr K experienced an issue with the car pulling to the right when braking, and he complained to the dealership that supplied the car about its quality.

In March 2025 Mr K experienced several warning lights on the dashboard, and rear wheel speed sensors were replaced. The car had travelled around 49,000 miles at the time of the repair. Mr K asked to reject the car after this repair as he expected to encounter further faults.

Mr K didn't receive a response from the dealership about his request to reject the car, and so he brought his complaint to this service for investigation in April 2025. VWFS agreed that Mr K's complaint about the ongoing quality issues with the car could be considered by this service based on their earlier final response.

In June 2025 Mr K's car broke down, with an electric traction battery fault on the dashboard, and the charger unit was replaced. The car had travelled around 52,000 miles at the time of this repair.

Mr K experienced more warning lights on the dashboard in July 2025, and software updates were completed to rectify the fault. The car had travelled around 55,000 miles at the time of this repair.

Our investigator gave their view that they thought the earlier problems with the air conditioner compressor and drive train likely made the car of unsatisfactory quality at the time it was supplied to Mr K, but the repair of these faults and the £650 compensation paid by VWFS was a fair remedy in the circumstances. They didn't think the faults that occurred after VWFS's final response made the car of unsatisfactory quality at the time it was supplied to Mr K, and so they didn't ask VWFS to do anything more.

Mr K didn't agree. He said the problems experienced with the car go far beyond what is considered fair wear and tear, and he had no confidence that the car would operate without further fault for the remainder of the finance agreement. Mr K said the car had displayed repeated major drivetrain and electrical faults which, overall, showed the vehicle wasn't of satisfactory quality when it was supplied.

In November 2025 Mr K part exchanged the car with the shortfall for this agreement being carried over to a new finance agreement for a new vehicle.

As an agreement can't be reached, the case has been passed to me for a 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.

Firstly, I'm aware that I've summarised this complaint in far less detail than the parties and I've done so using my own words. I'm not going to respond to every single point made by all the parties involved. No discourtesy is intended by this. Instead, I've focussed on what I think are the key issues here.

Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts. 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 argument to be able to reach what I think is the right outcome.

In considering what's fair and reasonable, I need to have regard to the relevant law and regulations. The agreement in this case is a regulated hire purchase agreement – so we can consider a complaint relating to it. VWFS as the supplier of the goods under this type of agreement is responsible for a complaint about their quality.

The Consumer Rights Act 2015 (CRA) is relevant to this complaint. It says that under a contract to supply goods, there is an implied term that the "quality of the goods is satisfactory"

To be considered "satisfactory" the goods would need to meet the standard that a reasonable person would consider satisfactory – taking into account any description of the goods, the price and other relevant factors. Those factors, in the case of a car purchase, will include things like the age and mileage of the car at the time of sale, and the car's history. The quality of the goods includes their general condition and other things like their fitness for

purpose, appearance and finish, safety and durability.

Here the car was acquired used with a cash price of around £17,000. It was around three years old and had travelled about 18,000 miles at the time of supply.

When a person acquires a used car like Mr K's it's reasonable to say that the expectation of quality is lower than that of a new car. The price for the vehicle is lower, and this is reflective of the fact that the car is more road-worn. The chance of encountering an issue sooner, is higher.

Mr K experienced some faults shortly after acquiring the car, relating to the suspension, brakes and window wipers. Whilst it was unfortunate for repairs to be required so soon after Mr K acquired the car, these items all relate to general wear and tear and I don't think they were unreasonable on a car of this age and mileage, and so I don't think they made the car of unsatisfactory quality when it was supplied to Mr K.

Mr K then experienced some faults which required an air conditioner compressor replacement, drive motor and a new battery. Mr K was also waiting for a gearbox replacement at the time that VWFS considered his complaint. The car had travelled less than 40,000 miles at this point and was around four years old. I don't think a reasonable person would expect faults of this nature on a car of this age and mileage, and I'm persuaded the parts failed prematurely. And so, I'm persuaded that these made the vehicle of unsatisfactory quality when it was supplied to Mr K, that is that it was not reasonably durable.

The CRA sets out the remedies available where goods are considered not to be of satisfactory quality and one of the remedies is to allow an opportunity to repair the goods. Mr K accepted repair of these faults, which were completed, and so a remedy under the CRA was achieved. So, Mr K is not entitled to reject the car on the basis of the repaired faults.

VWFS paid Mr K £650 compensation in respect of these faults. I can see there were times when Mr K was without a vehicle, and he was put to distress and inconvenience in having to visit the dealership multiple times to facilitate repairs. All things considered, I think the £650 fairly reflects the distress and inconvenience caused to Mr K in respect of these earlier faults.

After receiving the final response from VWFS and having the gearbox replaced, Mr K encountered further faults with the vehicle, and so I've gone on to consider these.

The faults and their repairs between February 2025 and when Mr K part exchanged the car in November 2025 were related to warning lights on the dashboard, and electrical component repairs. There were replacement wheel sensors, repairs to the charger unit and a software update required. Mr K has said that these repeated electrical issues show that the car had underlying issues and was not of satisfactory quality.

Mr K was able to travel around 10,000 miles in the vehicle between the MOT in January 2025 and the most recent fault in August 2025. Whilst I appreciate that the car had a number of electrical issues in this time, I think these are faults that, whilst unfortunate, might be expected to occur in a vehicle of this age and mileage. I'm not persuaded that they made the vehicle of unsatisfactory quality at the time it was supplied to Mr K.

So, whilst Mr K asked to reject the vehicle because he no longer had any confidence in it, I'm satisfied that the faults were repaired, and that as they didn't make the car of unsatisfactory quality at the time it was supplied, VWFS weren't responsible for the cost of these repairs, and Mr K wasn't entitled to reject the vehicle.

Whilst what has happened is unfortunate, I'm satisfied that Mr K received a remedy under the CRA for the faults that did make the car of unsatisfactory quality at the time it was supplied, and the later faults did not make the car of unsatisfactory quality when it was supplied to Mr K. I appreciate that having a car that requires repairs is stressful, and may be an expensive experience for Mr K. That doesn't mean that VWFS are responsible for the cost of repairs.

My final decision

For the reasons outlined above, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 6 March 2026.

Zoe Merriman
Ombudsman