

The complaint

Mr S complains about the quality of a car he has been financing through an agreement with RCI Financial Services Limited (RCI) trading as Mobilize Financial Services.

What happened

I issued a provisional decision in December 2025. An extract from that provisional decision is set out below.

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

Mr S took receipt of a new car in January 2022. He financed the deal through a hire purchase agreement with RCI. He had problems with the car and in April 2025 he asked RCI to allow him to reject it.

RCI didn't support his rejection request, but they did offer him £100 in respect of the distress and inconvenience he'd been caused.

Mr S referred his complaint to this service but as our investigator didn't think RCI had been unreasonable he asked for a decision by an ombudsman.

What I've provisionally 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.

I don't currently agree with everything our investigator has said. While I don't think RCI should allow rejection of the car I do think their approach to the gearbox fault has been unreasonable and I'm expecting to ask them to pay more compensation.

Where the information I've got is incomplete, unclear, or contradictory, as some of it is here, I have to base my decision on the balance of probabilities.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point, it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

Mr S acquired his car under a regulated consumer credit agreement, so our service can look at complaints about its quality. Under the Consumer Rights Act (2015), the car needed to be of satisfactory quality when it was supplied. Because it was a new car, I don't think a reasonable person would expect it to have any faults at that point. I therefore need to decide whether, at the time of supply, the car met reasonable expectations for a vehicle of its age, mileage, and price. If it didn't then RCI - who also supplied the car, are responsible. When deciding if the car was of satisfactory quality, I also have to consider whether it has been durable, meaning whether it has lasted for a reasonable period without developing faults.

The relevant legislation explains that if the fault occurs within the first six months we are to assume it was present at the point of supply, when RCI were responsible for the car's quality. As these faults were all notified to the business or the dealership after six months the onus is on Mr S to demonstrate they were present or developing when the car was supplied to him.

Mr S says he noticed the door misalignment in July 2022 but didn't report it to the dealership until he'd been in possession of the car for a year. I think problems closing the door would have been evident immediately and I think it more likely than not that this is an issue that has developed since the car has been in Mr S's possession. It's not a fault I think RCI can fairly be held accountable for although I can see the dealership have been prepared to resolve it for Mr S as a goodwill gesture.

Similarly, the interior trim panel problem wasn't reported for about a year and I don't think Mr S has been able to provide sufficient evidence for me to conclude it was present or developing when he took receipt of the car. I think the same can be said for the camera problem and the software update can't reasonably be considered a fault. A delay in providing that update can only fairly be levied at the dealership.

Our investigator wasn't persuaded RCI should take responsibility for the gearbox failure, but I disagree. I don't think a gearbox should fail after less than 40,000 miles have been completed. Online research would suggest that was a premature failure and that gearboxes of this type should last well over 100,000 miles if properly serviced. I note there was a delay of a little over 2,200 miles before the second service was completed. The dealership notes show that they contacted the manufacturer to see if that would make any difference but were told it didn't, and the gearbox replacement was sanctioned. I think that strengthens my view that the gearbox on this car was not durable.

In those circumstances the relevant legislation allows the business an opportunity to repair the car and that's what was done. Mr S says the car broke down on 10 December 2024 and service notes show it was repaired by 3 February 2025. In the meantime, Mr S continued to make payments towards the vehicle but was kept mobile in hire and courtesy cars. He's explained that these car's cost him more in petrol and I can understand they would have as notes suggest they were not hybrid cars like the one Mr S was paying for but that the hire cars, at least, ran off unleaded fuel. Mr S has also explained that he paid extra for a damage waiver and while I think he could have got that waiver cheaper elsewhere he wasn't to know that the car would take so long to repair. He's also mentioned an administration cost of £105 although I haven't seen evidence of that payment and he's explained that he needed to take time off work and had call costs. Overall, I don't think the £100 compensation RCI have offered is sufficient given my finding that the gearbox was not durable. I'm expecting to tell RCI to pay Mr S £500 in respect of the distress and inconvenience caused but I don't think they need to approve rejection of the vehicle.

My provisional decision

For the reasons I've given above, I'm expecting to uphold this complaint in part and to tell RCI Financial Services Limited to pay Mr S £500 in compensation less £100 if they've already paid that.

The parties' responses to my provisional decision

Mr S didn't respond and RCI accepted my provisional 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.

I've not been provided with any additional comments that would lead me to change my provisional decision so that decision now becomes my final decision on this complaint.

My final decision

For the reasons I've given above, I uphold this complaint in part and tell RCI Financial Services Limited to pay Mr S £500 in compensation less £100 if they've already paid that.

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

Phillip McMahon
Ombudsman