

The complaint

Miss P complains about the quality of a vehicle she acquired through a hire purchase agreement financed by Mercedes-Benz Financial Services UK Limited trading as Mercedes-Benz Finance (MBFS).

What happened

In September 2024 Miss P acquired a new car through a hire purchase agreement financed by MBFS. The cash price of the car was around £33,000 and Miss P paid a £750 deposit.

Miss P noted a noise from the vehicle soon after acquiring it and returned it to the dealership for investigation. The dealership told Miss P that they'd been unable to find fault with the vehicle, and they'd liaised with the factory on the matter, concluding that the noise was a characteristic of the vehicle which didn't affect its health or performance.

Miss P complained to MBFS and asked them to repair the vehicle or allow her to reject it as she felt it was of unsatisfactory quality at the time it was supplied to her. MBFS sent Miss P their final response to her complaint in December 2024. They said there was no fault with the vehicle, the noise was a characteristic of this particular vehicle and so they didn't uphold her complaint.

Unhappy with this, Miss P brought her complaint to this service for investigation. She said the vehicle has a persistent noise which MBFS have acknowledged, and she doesn't expect this from a brand-new premium vehicle. Miss P said it undermines her confidence in the reliability of the vehicle, and she thinks it will affect the resale value. Miss P said she'd like the vehicle to be repaired or failing that, to be able to reject it. Miss P said the car had only been inspected by Mercedes-Benz, and she'd be willing to have an independent inspection carried out.

MBFS agreed to appoint an engineer to inspect the vehicle, and this was done in January 2025. That engineer concluded that there was a rattling present during acceleration, and that the kind of noise heard is often associated with increased play or clearance developing in moving components due to wear. They said that often an abnormal noise is warning of further consequential damage.

MBFS pointed to the investigation already completed and maintained their stance that the noise was characteristic of this particular make and model of vehicle.

Our investigator gave their view that, based on the evidence, there was no mechanical fault with the vehicle and so Miss P couldn't reject it. But they asked MBFS to provide Miss P with a full explanation of what was causing the noise.

Miss P didn't agree. She asked for evidence that all vehicles of this make and model have the exact same noise, and disclosure of MBFS documents which highlight this. Miss P maintains that the noise is a non-characteristic fault, and she is entitled to a remedy for this.

I issued provisional decisions on this complaint in October, November and December 2025. I said, in summary, that I was minded to reach a different conclusion to the one reached by our investigator. I said regardless of whether it was characteristic for this model, I didn't think the noise was of a nature that a reasonable person would expect to encounter when acquiring a car of this age and value. I was minded to find that MBFS should allow Miss P to reject the car and refund her deposit.

MBFS responded to my provisional decision to say that Miss P settled the agreement in September 2025, and the car had now been sold. MBFS reiterated that the issue was a characteristic rather than a fault, and so they didn't think rejection was appropriate in any event. Miss P initially didn't respond to my provisional decision, or my request for further information, so whilst I was still minded to say that the vehicle was of unsatisfactory quality at the time it was supplied to Miss P, I said hadn't seen any evidence that Miss P had been disadvantaged in selling the car, and without the evidence I'd asked for I couldn't be sure that Miss P hadn't benefited financially from selling the car. And so, I didn't think MBFS needed to do anything further.

Miss P responded to my second provisional decision to say the car had been sold as she'd waited a significant time with no resolution to the matter. Miss P said the price she'd been able to sell the car for was lower because of the noise, and she'd been left with around £5,000 to pay toward the agreement once the car was sold.

I said that I remained minded to say that the vehicle was of unsatisfactory quality at the time it was supplied, but I didn't think Miss P had mitigated her losses by selling the car, and so because the car could no longer be returned to MBFS I said I didn't think it was reasonable for them to cover any loss Miss P faced in selling the car or for them to return Miss P's deposit. I was minded to say that MBFS should pay Miss P £750 to reflect the distress and inconvenience caused.

MBFS didn't respond to my provisional decision.

Miss P responded to my provisional decision to say she accepted it.

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.

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. MBFS 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 brand new with a cash price of around £33,000. With this in mind, I think it's fair to say that a reasonable person would expect the vehicle to be free from even minor defects for a considerable period of time.

It's not in dispute that Miss P's car makes a noise when accelerating. This has been documented by the dealership, factory, independent engineer and I've been provided with videos showing the noise whilst the car is being driven. What is in dispute is whether the noise makes the vehicle of unsatisfactory quality.

I've seen evidence that MBFS have undertaken a number of investigative steps to attempt to determine the exact cause of the noise. They've also liaised with technical experts at the factory where the car is manufactured to determine if there are any faults with the car or repairs that are required. The conclusion they've reached is that the noise is characteristic of this particular make and model. That is, that in this specification of car its particular parts will make this noise, but there is no fault that can be remedied to reduce or remove the noise. They say the noise doesn't affect the performance, health or safety of the car.

I'm satisfied that Miss P hasn't encountered any performance issues or fault warnings or codes to indicate a fault that needs to be remedied. But just because a noise might be characteristic, doesn't mean that the vehicle is of satisfactory quality.

Miss P purchased a brand-new car for a significant sum, and as I've set out above, I think a reasonable person would expect a vehicle of this type to be free from even minor defects for a considerable period of time. Miss P has said on several occasions that she wouldn't expect to hear a noise of this nature from a brand-new car.

Along with it being characteristic, MBFS say the noise isn't loud, and doesn't affect the person driving the car.

I've seen evidence of the noise, and I'm satisfied that it's a metallic rattling noise that comes from the engine area of the vehicle. It doesn't seem to me to be the type of noise that might be associated with parts moving in a way that they should. Simply, it sounds like there is something amiss in order for a car to rattle in this way. The engineer that inspected Miss P's car also described the noise as abnormal and noted that it was of a type that usually indicates consequential damage.

MBFS say that there is a possibility that Miss P would encounter the same issue on another vehicle of the same make and model. I haven't seen any evidence of the noise MBFS say other cars make, but all things considered, I'm not satisfied that every other car of this make and model makes exactly this noise. Nor am I satisfied that a reasonable person would expect to encounter a noise of this type when purchasing a brand-new car like Miss P's.

I appreciate the investigation that MBFS have carried out on Miss P's car, and their conclusion that there are no repairs that can be made to remedy the noise. I've thought carefully about the noise and whether it's a characteristic of the car, but for the reasons I've set out, regardless of whether its characteristic for this model, I'm satisfied that the noise is of a nature that a reasonable person wouldn't expect to encounter it when acquiring a car of this age and value. And so, I'm satisfied that the vehicle wasn't of satisfactory quality at the time it was supplied to Miss P.

Putting things right

Having made that finding I need to decide what, if anything, MBFS need to do to put things right.

Miss P has settled the agreement with MBFS, and the car has now been sold. As the agreement is no longer in place and Miss P no longer has the vehicle, it's not now possible for it to be rejected and the agreement unwound as I set out in my first provisional decision.

Miss P said that she suffered a loss in selling the vehicle, and she would have received her deposit back if the agreement had been unwound, so I've thought about whether MBFS should be responsible for these costs.

Miss P said she sold the car because she'd been driving it with the issue for some time with no resolution. I've thought about Miss P's reasons for selling the car. And, whilst I appreciate her strength of feeling on the matter, the issue was not one of safety, nor have I seen any evidence that it had an effect on the car's performance. I'm also satisfied that the noise wasn't of a nature that would've prevented enjoyment of the car when driving it. It wasn't, for example, loud enough to be heard over a radio.

Miss P had asked for, and was waiting for, an ombudsman to review her case afresh, so I'm satisfied that she was aware that the outcome could have been different to that reached by our investigator.

I must consider that the car can no longer be returned to MBFS. So, they can't attempt to sell it for the best price themselves, nor can they attempt to recover any losses from any party involved in the original sale or otherwise limit any shortfall.

So, all things considered, I don't think Miss P needed to sell the car before receiving a decision from our service, and so she hasn't mitigated her losses. For that reason, I'm not asking MBFS to cover any loss Miss P faced in selling the car or to return her deposit.

Miss P has been put to distress and inconvenience in being supplied with a vehicle that wasn't of satisfactory quality. She's had to spend time having the vehicle investigated and provide evidence of the noise whilst the vehicle is in operation. I can also understand why Miss P felt like she had no option but to sell the car, as MBFS hadn't allowed her to reject it initially. All things considered, I find MBFS should pay Miss P £750 compensation to reflect the distress and inconvenience caused.

My final decision

My final decision is that I uphold this complaint, and Mercedes-Benz Financial Services UK Limited trading as Mercedes-Benz Finance must pay Miss P £750 compensation to reflect the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss P to accept or reject my decision before 11 February 2026.

Zoe Merriman
Ombudsman