

The complaint

Mrs C complains about the quality of a vehicle that was supplied through a motor finance agreement with Mercedes-Benz Financial Services UK Limited (MBFS).

Mrs C has been represented on this complaint. But to keep things simple I'll only refer to Mrs C in my decision.

What happened

In May 2023, Mrs C acquired a new car through a hire purchase agreement with MBFS. The cash price of the car was £35,555. A deposit of £1,699.30 is listed, so the total amount financed under the agreement was £33,855.70, payable over 48 monthly repayments of £463.83 followed by an optional final repayment of £16,825.

Mrs C complained that since acquiring the car it has experienced a number of mechanical failures, including issues with the gearbox, auto-wiper function, and brake failure. Mrs C said that despite raising a complaint with MBFS, they did not provide a final response within eight weeks, so she brought her complaint to this service for investigation.

Mrs C said she has been affected financially and inconvenienced due to delays with repairs, and that she no longer feels safe driving the car. To resolve her complaint, Mrs C wants to end the agreement, receive her deposit back, and receive compensation for the stress and inconvenience caused.

In June 2025, MBFS issued their final response to Mrs C's complaint, which they upheld. In summary, MBFS confirmed there were issues with the car that were reported within the first six months and were repaired. They said the most recent issue was reported outside the first 12 months and so there were no grounds to reject the vehicle. However, they offered to pay Mrs C £150 in compensation for the distress and inconvenience caused.

Mrs C did not accept MBFS's decision and said the brake failure demonstrates the car was not of satisfactory quality.

In November 2025, our investigator issued their view, recommending that Mrs C's complaint should not be upheld. In summary, the investigator concluded that although the gearbox issue raised within the first six months meant the car was not of satisfactory quality at that time, it had been successfully repaired. The investigator said there was no evidence that the more recent issue with the brakes was present or developing at the point of supply, and so did not consider it made the car unsatisfactory in quality.

Mrs C did not accept the investigator's view and asked that her complaint be referred to an ombudsman for a final decision. She responded with the following points:

- The absence of a current fault does not mean the vehicle is of satisfactory quality.
- The wiper fault remains unresolved.
- Brake failure on a modern vehicle is not a minor post-six-month issue.
- The compensation offered was not proportionate.

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 is fair and reasonable, I've thought about all the evidence and information provided afresh and the relevant law and regulations, regulators' rules, guidance and standards, codes of practice and (where appropriate) what I consider to have been good industry practice at the relevant time.

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.

Mrs C complains about a hire purchase agreement. Entering into consumer credit contracts like this is a regulated activity, so I'm satisfied we can consider Mrs C's complaint about MBFS. MBFS is also the supplier of the goods under this agreement, and is responsible for a complaint about their quality.

The Consumer Rights Act 2015 (CRA) is relevant in this case. It says that under a contract to supply goods, there is an implied term that "*the quality of the goods is satisfactory, fit for purpose and as described*". To be considered as satisfactory, the CRA says the goods need to meet the standard that a reasonable person would consider satisfactory, considering any description of the goods, the price and all the other relevant circumstances.

So, it seems likely that in a case involving a car, the other relevant circumstances a court would consider might include things like the age and mileage at the time of sale and the vehicle's history.

My starting point is that MBFS supplied Mrs C with a new car, with a cash price of around £35,000. So, I think it's fair to say that a reasonable person would expect the level of quality to be higher than that of a second-hand, more road-worn car, and that it could be used—free from defects—for a considerable period of time.

From the information provided, I'm satisfied that there were faults with the car. Both parties agree on this point. However, the garage job cards confirm the faults that were investigated and repaired. These are consistent with what Mrs C has told us. Having considered that the car did have faults, I've gone on to consider whether it was of satisfactory quality at the time of supply.

Satisfactory quality

I don't consider the quality of the car to be in dispute. MBFS upheld Mrs C's complaint and confirmed that the issues raised within the first six months of supply were repaired. Given that the car was brand new when it was acquired—and that I've no reason to think Mrs C caused the fault—I'm satisfied the car wasn't of satisfactory quality when it was supplied to her.

That said, MBFS advised in their final response that the issue reported within the first six months was repaired, and Mrs C also confirmed in her response to the investigator's view that this was the case.

Under the CRA, in the circumstances of this fault, MBFS was entitled to an opportunity to repair it. I'm satisfied this was done, and so I don't consider MBFS needs to take any further action in relation to it.

I've also considered the issue with the brakes, which was reported in March 2025. Although I wouldn't expect this on a car that was around two years old and had travelled around 18,500 miles, I'm satisfied from the evidence provided that the issue was repaired. Mrs C appeared to confirm this in her response to the investigator's view.

In addition, I've seen no evidence that the brake issue would have been present or developing when the car was supplied to Mrs C, or that it was due to a lack of durability. So, I'm not persuaded that the brake issue made the car of unsatisfactory quality.

I recognise Mrs C said the auto-wiper fault remains unresolved. However, MBFS said the repairing garage reported that there were no issues with the wipers before March 2025, and that the wear indicator readings were normal for the age and mileage. Mrs C hasn't provided any expert evidence confirming that a fault exists or that it would have been present or developing when the car was supplied. Based on the information provided, I'm not persuaded that this is the case.

All things considered, I recognise Mrs C's strength of feeling that a brand-new car shouldn't have experienced the issues it did, in the timeframe it did. However, from the evidence provided, I'm satisfied that MBFS has acted fairly under the CRA and that the issues reported have been successfully repaired.

It follows that I don't require MBFS to take any further action in relation to this complaint.

My final decision

My final decision is that I don't uphold Mrs C's complaint about Mercedes-Benz Financial Services UK Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 24 February 2026.

Benjamin John
Ombudsman