

The complaint

Mr P is unhappy with how FCE Bank Plc trading as Ford Credit ('FCE') handled things when a car supplied under a hire purchase agreement was delivered with cosmetic damage.

What happened

Around May 2025 Mr P entered into a hire purchase agreement with FCE to fund the cost of a new car.

The car was delivered and unfortunately it had suffered cosmetic damage when being transported. Mr P refused the delivery, and he complained to FCE saying he wanted to reject the car.

Mr P later agreed to a repair, but then said the car had additional damage to the interior when it was returned to him.

FCE issued a final response at the beginning of June 2025. FCE explained it had spoken to Mr P about his options and said it told him if he kept the car following a repair, the finance agreement could be left "*as it is*" and the first payment would be written off or reimbursed. Or it said it could "*re write*" the finance agreement once Mr P had the car back and this wouldn't impact Mr P's credit score.

FCE said the dealer had agreed to repair the additional damage to the interior and said if Mr P remained unhappy with the car after this it would unwind the agreement. FCE said if Mr P kept the car, it would still "*honour the initial re write*" of the agreement.

FCE offered £150 to reflect the distress and inconvenience caused.

Mr P decided to keep the car. But he said when he went to collect it at the end of June 2025, he was told he would need to sign a further credit agreement. He complained again to FCE.

FCE wrote to Mr P and apologised for the confusion. It explained it was too late to 'rewrite' the original agreement. It said Mr P would enter a new agreement, at which point the old one would be cancelled. It explained this would not reflect on his credit file and would mean the car only had one associated finance agreement. FCE offered a further £150.

Mr P remained unhappy and referred the complaint to our service. He said FCE seriously mishandled the finance, leading to a "*duplicate finance contract*". He also said FCE had mis sold the finance and performed unnecessary credit checks.

Mr P described the impact on him and said he had been very stressed and 'financially confused' because of what happened.

Mr P later said the car had further defects that he'd had to spend his own money fixing. Our investigator explained FCE would need a chance to look into these issues before our service could consider this.

Our investigator then issued a view. In summary, he said he appreciated FCE had caused

confusion around the agreement being set back up when Mr P eventually got the car. But he said he thought the £300 FCE offered was reasonable to reflect what happened.

Mr P disagreed. He said the repairs to the car had persisted until October 2025 causing further issues. And he said he had not been compensated for the full impact of the situation.

As Mr P remained unhappy, the complaint has been 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 think the offer FCE has already made is reasonable to reflect what happened. I'll explain why.

Firstly, I'd like to explain to both parties that I might not comment on every point raised or every piece of evidence. I'd like to reassure Mr P and FCE that I've carefully considered everything both parties have provided. But in my decision, as I have in the background above, I'm going to focus on what I consider to be the key facts and the crux of the complaint. This reflects the informal nature of our service.

Mr P should also note while he said the car had further issues after the new agreement was entered into, I haven't seen any evidence of this, nor have I seen he raised a complaint to FCE about this specific point. So, I am not considering this any further. To be clear, this decision only concerns the events covered in the final response from June 2025 and the follow up from FCE where it offered an additional £150. If Mr P wants to pursue events after this, he would need to contact FCE in the first instance.

When considering what's fair and reasonable, I take into consideration relevant law, guidance and regulations. The Consumer Rights Act 2015 ('CRA') is relevant to this complaint. This says, in summary, that under a contract to supply goods, the supplier – FCE here – needed to make sure the goods were of 'satisfactory quality'.

It doesn't seem in dispute that the car was not of satisfactory quality when it was delivered to Mr P, and clearly a reasonable person would not expect a brand-new car to arrive with cosmetic damage.

In this situation, one of the remedies available to Mr P to put things right was a repair. While I appreciate he's mentioned further issues, I haven't seen any evidence of this. So, I think it's most likely the *original* issues were put right without charge to Mr P. This means, broadly, his rights under the CRA were met. I've also noted FCE gave Mr P the opportunity to reject the car if he wished.

I've then thought about what happened with the agreement itself. I do think FCE could've been clearer about what would happen with the agreement when Mr P eventually collected the car. And I understand the confusion this caused when he was asked to sign a new contract.

That being said, I can't see this situation financially affected Mr P, nor has he shown it impacted his credit file. And I think, ultimately, FCE did resolve the issue.

Thinking about all of this, I find Mr P was caused distress and inconvenience because of what went wrong. I'm sure it must have been upsetting to realise the car was damaged. And Mr P has explained the stress caused by not fully understanding what was happening with

the credit agreement.

Having thought about this, FCE has apologised and agreed to pay Mr P £300. I think this fairly reflects the distress and inconvenience caused under the specific circumstances here and I find FCE doesn't need to do anything further.

My final decision

FCE Bank Plc trading as Ford Credit has already made an offer to pay Mr P £300 to resolve the complaint. My decision is that this offer is fair and reasonable under all the circumstances.

I instruct FCE Bank Plc trading as Ford Credit to pay Mr P £300, if it hasn't already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 18 February 2026.

John Bower
Ombudsman