

The complaint

Mrs M complains about the quality of a vehicle that was supplied through a motor finance agreement with Volkswagen Financial Services (UK) Limited trading as Audi Financial Services (VWFS).

What happened

In August 2021, Mrs M acquired a used car through a hire purchase agreement with VWFS. The car was around four years old and had travelled 1,968 miles when it was supplied to her. The cash price of the car was £18,439. An advance payment of £500 is listed, bringing the total amount of credit under the agreement to £17,939. Mrs M was due to make 48 repayments of £302.12, followed by a final payment of £8,051.25.

Mrs M says that shortly after acquiring the vehicle, a number of significant faults emerged. She said she noticed a torn tyre immediately, and although an initial attempt at repair failed, the tyre was replaced. She said that within the first two weeks, the engine management light illuminated, the gearbox displayed faults, there was a noise coming from underneath the car, and both the central locking and the lights stopped working. She returned the vehicle to the dealership around nine times within the first two months, but the major issues remained unresolved.

Mrs M said that following her escalation to the manufacturer, the car was later booked into the dealership in November 2022, during which the EGR valve was replaced and the engine management light was switched off. However, when the car was returned in January 2023, the gearbox problems and underbody noise continued.

Mrs M says the situation has caused her financial loss and has adversely affected her mental health. She is seeking a full refund.

In August 2025, VWFS issued their final response to Mrs M's complaint. In summary, it said the first issue reported (the EML) was considered to be due to rodent damage and the repairs were carried out. It said the next set of problems were reported 11 months after purchase, and so didn't mean the issues were present or developing when the car was supplied.

It said the car had travelled around 50,000 miles, indicating that it was fit for purpose. VWFS didn't uphold Mrs M's complaint. However, in recognition of the inconvenience caused and the loss of enjoyment during the repairs, VWFS offered Mrs M £402.12, which included a 50% reimbursement of the periods during which the car was being repaired in July 2022 and December 2022.

Unhappy with VWFS's outcome, Mrs M brought her complaint to this service, where it was passed to one of our investigators to look into. Mrs M told the investigator she wanted to reject the car and end the agreement.

In November 2025, the investigator issued their view and recommended that Mrs M's complaint should not be upheld. In summary, the investigator concluded that there was no evidence to support that the car wasn't in satisfactory condition when it was supplied to her.

Mrs M didn't accept the investigator's view and provided further evidence she felt proved the issues were presenting themselves soon after supply. However, the investigator issued a second view maintaining their original outcome.

Mrs M didn't accept the investigator's second view and so her complaint was referred to an ombudsman for a final decision. Mrs M added that she felt the garage records didn't reflect what actually happened, and reiterated that her request to reject the car was refused.

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 M 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 M's complaint about VWFS. VWFS 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 VWFS supplied Mrs M with a used car that had travelled 1,968 miles. With this in mind, I think it's fair to say that a reasonable person would expect the level of quality to be lower than that of a brand-new car with minimal mileage, and to anticipate some signs of wear and tear due to its usage. That said, the car was priced at £18,439, which isn't insignificant, and it wasn't a particularly old vehicle. So, I think it's fair to say that a reasonable person would expect it to be usable without any major issues for a reasonable period of time.

From the information provided, I'm persuaded that there was a fault with the car. This is apparent from the job card dated October 2022, provided by Mrs M, which confirmed that the EML was illuminated and that the EGR had previously been considered faulty. In its final response, VWFS also confirmed that the EGR cooler had been repaired around July 2022

and again in December 2022. It said there had been rodent damage in March 2022, which caused the EML to light up. Having established that the car had a fault, I've considered whether it was of satisfactory quality at the time of supply.

Satisfactory quality

In response to the investigator's view, Mrs M said the faults were reported but not recorded, and she feels disadvantaged by this. She also said that her attempt to reject the car early on was refused.

Mrs M provided a copy of a job card from October 2022 showing the EML had illuminated, that she had brought the car in previously, and that some attention had been given to the EGR valve. However, the job card doesn't identify the root causes or comment on some of the other issues Mrs M reported. Mrs M also provided images of her car and dashboard, but the information is limited without further context or evidence about the underlying causes.

I've also considered that I've not seen any expert evidence to support what Mrs M has said—for example, regarding the noise and gearbox issues.

In addition, I've taken into account that the car passed MOT tests throughout Mrs M's ownership, with no reference to the issues raised. According to the MOT records, Mrs M was able to travel over 50,000 miles, which I think would have been unlikely had the car had an inherent mechanical fault.

I recognise that Mrs M feels strongly about the limited records provided by the dealership and that she asked to reject the car sooner. But I've not seen compelling evidence to show that a fault existed, that it was present and developing at the point of supply, or that the car failed to conform to the contract with VWFS. It's reasonable to consider that Mrs M could have instructed an independent vehicle inspector to determine whether the car was of satisfactory quality. She did not do so, and instead continued to use the car for several years after acquiring it.

I don't doubt Mrs M's strength of feeling about the matter—this is clear from what she has told us. However, I think it is very likely that the issues she experienced were not as significant as she believed. Had they been, I think she would likely have already experienced a complete failure of the vehicle.

As I've concluded that the car was of satisfactory quality at the point it was supplied, I don't require VWFS to take any action in respect of this complaint.

My final decision

My final decision is that I don't uphold Ms E's complaint about Volkswagen Financial Services (UK) Limited trading as Audi Financial Services.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 9 April 2026.

Benjamin John
Ombudsman