

The complaint

Miss M complains about a car supplied to her using a conditional sale agreement taken out with Hyundai Capital UK Limited trading as Hyundai Finance (“Hyundai”).

What happened

In October 2024, Miss M signed a conditional sale agreement with Hyundai to acquire a brand-new car. The cash price of the car recorded on the agreement was £30,350, the agreement was for 49 months, made up of 48 regular, monthly repayments of £386.80, followed by a final payment of £14,773.44. The advance payment recorded on the agreement was £2,850.

Miss M said the car worked normally until around mid-August 2025, when a fault message appeared on the car’s dashboard in relation to its hybrid system.

The car was diagnosed by a third-party roadside assistance company a few days later, and Miss M said a fault code was found (“Fault Code 1”).

The car was uplifted and inspected by a garage which was an approved retailer of the manufacturer (“Garage A”), and a fault couldn’t be found. The car was then returned to Miss M in early September 2025.

Miss M said an issue appeared with the car again a few days later, which was confirmed by another visit by the third-party roadside assistance company. Miss M said they found the same fault code (Fault Code 1) as they did previously. And so, the car was sent back to Garage A.

Miss M says Garage A attempted a repair to the car. However, when the car was returned to Miss M, she said the same issue with the car reappeared a few days later.

Miss M complained to Hyundai and also obtained a diagnostic from a different third-party garage (“Garage B”) which she believed showed there was an intermittent issue with Fault Code 1.

Hyundai issued their final response to Miss M where they explained that they didn’t uphold her complaint.

Miss M said the supplying dealership (“SD”) wanted to inspect the car themselves. Miss M didn’t think that was needed as it had already been inspected by Garage A and Garage B.

Unhappy with Hyundai’s response, Miss M referred her complaint to our service.

An independent inspection was carried out to the car in December 2025, when the car’s mileage was 4,987 miles. The engineer who inspected the car couldn’t confirm an engine management light or an issue with the car’s hybrid charging capability. The report also said that when a diagnostic test was carried out, one fault code was stored which was a pending fault code (“Fault Code 2”).

Our investigator issued her view where she explained that she didn't uphold Miss M's complaint. In summary, the investigator concluded that the issue experienced with the car needed to be investigated further. And so, she didn't think she could recommend a rejection without it being investigated further. The investigator went on to say that she thought Hyundai could have handled Miss M's complaint better and told Hyundai to pay her £75 for the distress and inconvenience caused.

Miss M disagreed with the investigator's outcome. Among other things, Miss M said that there had already been authorised repair attempts, as SD was at capacity when investigations were needed, and so the car was agreed to be taken to Garage A to be looked at further.

The investigator explained that her understanding was that while a fault code had been detected, it needed to be investigated before she could recommend a rejection of the car.

As Miss M disagreed with the investigator's findings, the complaint was 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'm partly upholding this complaint and I'll explain why below.

I'm aware I have summarised events and comments made by both parties very briefly, in less detail than has been provided, largely in my own words. No discourtesy is intended by this. In addition, if there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is a fair outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as an alternative to the courts.

Miss M complains about a car supplied to her under a conditional sale agreement. Entering into consumer credit contracts such as this is a regulated activity, so I'm satisfied I can consider Miss M's complaint about Hyundai.

When considering what's fair and reasonable, I take into account relevant law and regulations. The Consumer Rights Act 2015 ("CRA") is relevant to this complaint. The CRA explains under a contract to supply goods, the supplier – Hyundai here – has a responsibility to make sure goods are of satisfactory quality. Satisfactory quality is what a reasonable person would expect – taking into account any relevant factors. It's important to point out in this case that the CRA specifically explains that the durability of goods can be considered part of whether they are unsatisfactory quality or not.

I would consider relevant factors here, amongst others, to include the car's age, price, mileage and description. So, it's important to note here that the car Miss M acquired was brand-new and I think a reasonable person would expect it to be in excellent condition, with no faults or issues. And I think they would expect trouble free motoring for a significant period.

What I need to consider is whether the car was of satisfactory quality when it was supplied. And in order to do that, I first need to consider whether the car developed a fault.

Had the car developed a fault?

Miss M strongly believes there is a fault with the car. She has given details on the occasions the car has experienced issues and has provided photos of error messages and warning lights appearing on the car's dashboard. Along with those, Miss M has given a detailed timeline of the occasions the car has been diagnosed. On some occasions, a fault code has been identified. These codes have been identified by either the third-party roadside assistance company, Garage B or by the engineer who completed the independent inspection of the car.

It is worth pointing out that fault codes in isolation mean that the car is recording a *potential* issue. They can be useful, when combined with other evidence, to show what a fault may be. But a fault code in isolation, without anything else to consider, doesn't show a fault in itself.

The car has also been inspected on a couple of occasions by Garage A – an approved retailer of the manufacturer. On the first occasion, no fault could be found. On the second occasion, a fault also couldn't be found, but a repair was carried out to a wire to see if that resolved the issue Miss M said she was experiencing.

I'm also mindful that the independent inspection carried out to the car also couldn't identify a fault (but only a fault code).

Miss M believes the issue with the car is intermittent in nature. And from my understanding, Miss M doesn't think any further investigation is needed, as she believes there is sufficient evidence already to conclude a fault. However, I don't think there is conclusive evidence here and I think further investigation is likely required to determine a fault with the car. And so, I've carefully thought about everything Miss M has said. But I haven't seen enough to persuade me there is a fault with the car in this case.

I appreciate Miss M's comments that she has already given opportunities for the car to be repaired, and so, the car should be allowed to be rejected under the CRA. However, I should point out that, in general terms, one of the remedies under the CRA is a rejection of the goods – *if* the goods are found to be of unsatisfactory quality, and if an opportunity of repair has already been given (and has failed). However, in this instance, I'm not concluding that the car was supplied of unsatisfactory quality as there isn't enough evidence to persuade me that there is a fault with it.

Distress and inconvenience

While I'm satisfied Hyundai don't need to do anything further in relation to the quality of the car, I do think they need to put things right in relation to how they supported Miss M when she told them she had issues with her car. From my understanding, Miss M got in touch and I think Hyundai could have done more with supporting her as it seems she had difficulty arranging a diagnosis of the car near to her and one approved by the SD. And in the circumstances, I think a fair and reasonable way to resolve things would be for Hyundai to pay Miss M £75 for the distress and inconvenience caused.

My final decision

For the reasons I've explained, I uphold this complaint and I instruct Hyundai Capital UK Limited trading as Hyundai Finance to put things right by paying Miss M £75 to reflect the distress and inconvenience caused. If Hyundai has already given compensation in relation to this specific complaint, the final amount should be less the amount already given.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 20 February 2026.

Ronesh Amin
Ombudsman