

The complaint

Mr P complains about a car supplied to him using a conditional sale agreement taken out with Santander Consumer (UK) Plc trading as MG Motor Financial Services (“MGMFS”).

What happened

In December 2024, Mr P acquired a brand-new car using a conditional sale agreement with MGMFS. The cash price of the car recorded on the agreement was £21,867.81, the agreement was for 49 months, made up of 48 regular, monthly repayments of £276.98, followed by a final payment of £10,831.50. The advance payment recorded on the agreement was £2,500.

In January 2025, Mr P said he experienced various issues with the car, in relation to it making unusually high revving noises on occasions, to its range not being achieved, as well as to warning messages appearing on the car’s dashboard. So, he complained to MGMFS.

A repair was arranged for the car in February 2025. The job sheet for the works carried out said that no fault could be found, but for Mr P to continue to monitor it.

Later in the month, MGMFS issued their final response to Mr P where they explained that the car was looked at, and no fault could be found.

In May 2025, Mr P said issues he experienced with the car persisted. Mr P said he was told by the garage that it was a known issue which the manufacturer was reviewing, and that he would be informed when a resolution was in place.

When Mr P chased for an update, he said he was told that there was no fault with the car and it was driving as intended. Mr P thought the dealership’s position had changed from their earlier admission of there being an issue with the car revving abnormally.

Mr P referred his complaint to our service in June 2025.

In July 2025, Mr P informed our service that an engine fault sign appeared on his car’s dashboard, and the car was booked in to have it looked at. Mr P paid £128 on 29 July 2025 to have the car uplifted for repairs.

In August 2025, the car was repaired, but Mr P said the fault reappeared, which meant he paid £128 again on 4 August 2025 to have the car uplifted back to the repairing garage. A job sheet for works carried out by the garage said that the engine gas recirculation (“EGR”) valve was replaced.

Our investigator initially issued a view, where he upheld Mr P’s complaint. He said there was limited information as to what work was carried out to the car in February 2025, and so couldn’t confirm whether there was a fault at the time. But he did think it was linked to what Mr P had told him about possible recalls that were required to the car. The investigator also thought there was a fault with the EGR valve as it required replacing. The investigator

concluded that the car was supplied of unsatisfactory quality and instructed MGMFS on what they needed to do to put things right.

Among other things, Mr P didn't think the award for distress and inconvenience the investigator was asking MGMFS to make was enough.

MGMFS supplied a document which was released in April 2025, intended to be shared with authorised manufacturer dealerships. It outlined that the issues Mr P said he was experiencing with the engine revving abnormally was normal and not a fault or malfunction of the car.

The investigator later issued another view where the outcome he had reached changed slightly, based on what he was told by both parties. In summary, the investigator didn't think Mr P could reject the car as he thought there wasn't a fault with it in February 2025, but it rather was a characteristic of the car. And the investigator thought that the EGR valve replacement that took place in August 2025 resolved the issue he had with it. In summary, the investigator thought Mr P should be reimbursed the cost of recovery charges as well as £150 for the distress and inconvenience caused by this complaint.

MGMFS accepted the view reached by the investigator. Mr P disagreed with the investigator's further outcome.

As Mr P disagreed, 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.

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

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 – MGMFS 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 Mr P 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?

Range and charging issue – Mr P said there was an issue with the car's range. On the other hand, MGMFS has explained that there was no fault with the car in relation to its range and that it was low due to extreme cold weather.

Given the car was inspected in February 2025, typically when the weather is colder, and that there isn't a confirmed fault with the car's range, and that Mr P hasn't said the issue with the car's range persists, I'm not satisfied there is a fault with the car in relation to its range.

Warning signs on the car's dashboard – Mr P said that he noticed warning signs appear on the car in January 2025. These warning messages were in relation to the lane assistance system in the car. The job sheet for the February 2025 diagnostic explain that the issue was most likely due to a blocked camera and that no fault could be found. I'm also mindful that warning messages in themselves don't confirm a fault with the car.

On balance, I'm not satisfied there is a fault in relation to the warning messages that appeared on the car in January 2025.

Abnormal engine revving sounds – Mr P strongly believes there is a fault with the car in relation to it revving abnormally on occasions. Mr P says he was told to monitor the situation in February 2025, and this further confirms there to be a known issue with the car. On the other hand, MGMFS say that it isn't a fault with the car, but rather a characteristic of the hybrid engine the car has.

While I appreciate Mr P's comments, I'm not persuaded there is a fault with the car in relation to the engine revving. I have seen documentation which MGMFS has supplied which explains that it is a normal characteristic of the car and its hybrid drivetrain and that it isn't a fault or a malfunction. On balance, as I haven't seen anything to suggest the engine revving abnormally is a mechanical fault, or will lead to one, I'm not satisfied there is a fault to the car in relation to this.

EGR valve – Mr P said that an error message appeared on the car's dashboard in July 2025, and the EGR valve was subsequently replaced in August 2025. In light of this, I'm satisfied there was a fault with the car, in July 2025, and specifically to its EGR valve.

Was the car of satisfactory quality at the point of supply?

Given the car was brand-new when it was supplied to Mr P, I'm satisfied the car wasn't durable. I wouldn't expect there to be a need to repair items such as the EGR valve so early in the car's lifetime. And so, I'm satisfied a reasonable person would not consider it to have been of satisfactory quality when it was supplied to Mr P.

Remedies under the CRA

From my understanding, the EGR valve was replaced, and Mr P hasn't experienced any further issues in relation to it. So, broadly speaking, Mr P's rights under the CRA have been met by the car being repaired at no cost to himself.

Other costs

Having said the above, I'm mindful that Mr P had incurred costs in having the car transported to the repairing garage on two occasions to have the EGR valve replaced. Considering I'm satisfied the car wasn't durable and it wasn't supplied of satisfactory quality, given the valve needed replacing, I'm satisfied that MGMFS should reimburse Mr P for these costs.

Distress and inconvenience

Mr P has explained in length the distress this complaint has caused him. And he has explained how he didn't have access to a car while it was being repaired for an EGR valve. And how this complaint impacted his mental health. In the circumstances, I think it is fair and reasonable that MGMFS pay Mr P £150 for the distress and inconvenience caused.

My final decision

For the reasons I've explained, I uphold this complaint and I instruct Santander Consumer (UK) Plc trading as MG Motor Financial Services to put things right by doing the following:

- Reimburse Mr P the cost of having the car transported on two occasions – a £128 charge on 29 July 2025 and a £128 charge on 4 August 2025. *
- Pay Mr P £150 to reflect the distress and inconvenience caused.

* These amounts should have 8% simple yearly interest added from the time of payment to the time of reimbursement. If MGMFS considers that it's required by HM Revenue & Customs to withhold income tax from the interest, it should tell Mr P how much it's taken off. It should also give Mr P a tax deduction certificate if they ask for one, so they can reclaim the tax from HM Revenue and Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 29 April 2026.

Ronesh Amin
Ombudsman