

The complaint

Mr R complains that Volkswagen Financial Services (UK) Limited trading as Audi Financial Services ('VWFS') supplied him with a car that was of unsatisfactory quality.

What happened

The parties are familiar with the background details of this complaint – so I will briefly summarise them here. It reflects my role resolving disputes with minimal formality.

Mr R acquired a car under a hire purchase agreement in October 2024; the car was around five years old and had completed around 20,000 miles; the cash price was £19,300.

Soon after acquiring the car Mr R says, he began experiencing problems and so he complained to VWFS. In short, he said he experienced faults including a 'Shift to P' gearbox warning, suspension creaking, an air conditioner failure, window washer faults and a coil pack failure resulting in a breakdown.

VWFS issued its final response letter in October 2025, it acknowledged faults had occurred and repairs were carried out. It confirmed the issue with the air conditioning, 'Shift to P' warning, and coil pack were repaired or replaced. However, it said the issue with the suspension noise couldn't be replicated so no repairs were required. It also couldn't replicate any other fault codes.

It recognised Mr R had experienced issues with the car and so offered £573.00 in compensation representing 25% of six-monthly repayments and for the distress and inconvenience caused.

Our Investigator looked into things but didn't think VWFS needed to do more to put things right. He said he didn't think the car was of satisfactory quality when supplied, given the number of faults Mr R experienced. But he said although there were some faults with the car, repairs were successful and so he didn't think VWFS needed to take any action to put things right.

Mr R remained unhappy, in short, he said given the Investigator concluded the car was of unsatisfactory quality he didn't think the redress offered by VWFS was fair.

As an agreement couldn't be reached 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've reached the same overall conclusions as our Investigator and for broadly the same reasons. I know this will come as a disappointment to Mr R, but I will explain my reasons below.

In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and (if appropriate) what I consider good industry practice at the time.

The hire purchase agreement entered by Mr R is a regulated consumer credit agreement and this Service is able to consider complaints relating to it. VWFS is also the supplier of the goods under this type of agreement and responsible for a complaint about its quality.

The Consumer Rights Act 2015 (CRA) covers agreements like the one Mr R entered. Because VWFS supplied the car under a hire purchase agreement, there's an implied term that it is of satisfactory quality at the point of supply. Cars are of satisfactory quality if they are of a standard that a reasonable person would find acceptable, taking into account factors such as the age and mileage of the car and the price paid.

The CRA also says that the quality of goods includes the general state and condition, and other things such as its fitness for purpose, appearance and finish, freedom from minor defects and safety can be aspects of the quality of the goods.

Satisfactory quality also covers durability. For cars, this means the components must last a reasonable amount of time. Of course, durability will depend on various factors. In Mr R's case the car was around five years old and had travelled almost 20,000 miles when it was supplied. The price of the car was also lower than it would have been if it had supplied new.

So, I think it's fair to say that a reasonable person would expect that parts of the car might have already suffered wear and tear. And there's a great risk the car would've needed repair/and or maintenance sooner than a car which wasn't as road worn when it was supplied.

Under the Consumer Rights Act 2015, where a fault occurs in the first six months of the point of supply, it's assumed that the fault was present or developing at the point of supply and its generally up to the business to put things right. The business is allowed one opportunity to repair the fault. If the repair isn't successful, the consumer can reject the car.

There appears to be little or no dispute that Mr R, experienced several issues with the vehicle following purchase. This is evidenced by the documented vehicle history, which confirms that VWFS supported repairs to address identified faults. Specifically, the records show that faults were identified with the vehicle's air conditioning system and that a "Shift to P" warning message was present. In addition, a coil pack misfire was diagnosed and subsequently replaced.

Based on the evidence available, I am satisfied that these repairs were undertaken appropriately and that the identified faults were resolved at that time. Mr R also raised concerns about a knocking noise coming from the vehicle, which he states became apparent shortly after acquiring it. In support of this, Mr R provided both a vehicle inspection report and video evidence. These indicate that an engineer was able to hear a knocking noise originating from the front shock absorbers. I have carefully reviewed the evidence provided.

From this, it appears that the engineer recommended replacing both the shock absorbers and the associated top mounts. Mr R also submitted two short video recordings dated October 2025, which he states demonstrate the presence of the noise.

However, as outlined above, the vehicle was presented for repair on more than one occasion. According to the information available to me, no consistent or reproducible knocking noise was identified during these visits. More specifically, in August 2025, following the initial inspection, the issue relating to the knocking noise was investigated but could not be replicated by the technician. As a result, no repair work was undertaken at that time because no fault could be confirmed.

I also note that the vehicle successfully passed a MOT test in September 2025 with no advisories recorded. This test would have taken place after the initial inspection during which the engineer recommended replacement of the shock absorbers. It is widely accepted that shock absorbers naturally degrade over time as part of normal wear and tear. However, driving with shock absorbers that are significantly worn or defective is generally considered unsafe and would typically limit the number of miles a vehicle could reasonably travel. The recorded mileage at the time of the MOT was approximately 26,995 miles. This suggests that the vehicle had travelled around 7,000 miles since Mr R acquired it.

In my view, it is highly unlikely that the vehicle would have been able to complete such mileage without noticeable safety issues if the shock absorbers had been defective at the point of purchase. Furthermore, it is more probable than not that the vehicle would have failed the MOT inspection if the shock absorbers had been in a faulty or dangerous condition. So, I am unable to conclude that there was a fault with the shock absorbers that would have rendered the vehicle of unsatisfactory quality at the time of supply.

That said, I have already explained why I consider that other faults with the vehicle were present. Given that repairs relating to the coil pack and the "Shift to P" warning message were required relatively soon after purchase, I do not consider it reasonable to expect those components to fail so quickly under normal circumstances. Therefore, I find it more likely than not that these particular faults were present or developing at the point of sale, which would have meant the vehicle did not meet the standard of satisfactory quality expected at that time.

Section 24(5) of the CRA says "*a consumer who has ... the right to reject may only exercise [this] and may only do so in one of these situations – (a) after one repair or replacement, the goods do not confirm to contract.*" This is known as the single chance of repair. And this applies to all issues with the goods, and to all repairs i.e., it's not a single chance of repair for the dealership AND a single chance of repair for VWFS – the first attempted repair is the single chance at repair. What's more, if a different fault arises after a previous repair, even if those faults aren't related, the single chance of repair has already happened – it's not a single chance of repair per fault.

Whilst I acknowledge that VWFS repaired the vehicle on more than one occasion, I have not seen any evidence to suggest that Mr R refused those repairs or that the repairs themselves were unsuccessful. Consequently, I find that Mr R's rights under the CRA were ultimately met through the repair process.

Under the circumstances of this complaint, this Service would ordinarily consider recommending a partial refund of the monthly repayments to reflect the impaired use as well as the distress and inconvenience experienced by Mr R. In this case, VWFS has already paid Mr R the sum of £573.00 to resolve the matter. This amount represents approximately 25% of six-monthly instalments, covering the period during which the vehicle was intermittently unavailable for use and £250 acknowledging the distress and inconvenience caused.

In my view, this payment constitutes a fair and reasonable resolution and is consistent with what I would likely have recommended had no prior offer been made.

Based on the evidence reviewed, I think that the vehicle was likely of unsatisfactory quality at the point of supply due to the presence of certain faults. However, I am also satisfied that VWFS has taken appropriate remedial steps to address those issues and to put matters right.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 14 May 2026.

Rajvinder Phaiser
Ombudsman