

## The complaint

Mr B complains that a car acquired under a hire purchase agreement with RCI Financial Services Limited trading as Mobilize Financial Services (“RCI”) wasn’t of satisfactory quality when it was supplied to him. He wants to reject the car.

## What happened

Both parties are familiar with the background of this complaint so I will only summarise what happened briefly here.

In May 2023, Mr B entered into an agreement to acquire a new car. The car was supplied by a dealership (R). Mr B paid a deposit contribution of £1,725, with the purchase balance provided under a hire purchase agreement with RCI. The agreement was for 49 months, with 47 monthly repayments of £295.30, one payment of £295.22 and an optional final payment of £10,698.20 if Mr B wanted to keep the car at the end of the agreement. The cash price of the car was £22,799.50.

In May 2024 Mr B took the car to R for a service. Shortly after receiving the car back, he started to experience faults with it. The anti-pollution warning was displayed intermittently, along with a warning to check the electrical system. Mr B contacted his breakdown recovery company about those warnings, but it’s unclear if he returned the car to R at this point. However, the car was returned to R in December 2024, with the same warnings having been displayed. Mr B told R the car was also pulling to the left. R were unable to replicate the car pulling to the left following a test drive. R configured the onboard computer and confirmed that the warnings had been cleared, but they appeared on the car’s dashboard the following day.

Mr B complained to RCI in May 2025, at which point the car was back with R for the same problems with the warnings being displayed. He said he wanted to reject the car as he had lost faith in it and was concerned about driving it as his family had a child on the way and he wasn’t confident the car wouldn’t break down. RCI didn’t uphold his complaint. They said all repairs had been completed under warranty and they considered the car to be fit for purpose.

Mr B brought his complaint to our service. Our investigator upheld it and said that she wasn’t satisfied that the car had been sufficiently durable in line with the Consumer Rights Act 2015. She said that RCI should arrange for the car to be fully investigated again, and any repairs carried out under the manufacturer’s warranty.

She also said that RCI should refund part of Mr B’s May 2025 repayment, as he had been without the car or a courtesy car for six days, and she asked RCI to refund 5% of the remainder of May 2025’s repayment to reflect the fact Mr B wasn’t able to use the car he’d entered the agreement to use. Finally, she asked RCI to pay Mr B £250 compensation to reflect the inconvenience he’d been caused, but she didn’t support rejection of the car.

RCI accepted our investigator’s outcome, but Mr B didn’t. He felt he should have been allowed to reject the car. At the very least, he wanted to be able to proceed with a voluntary

termination but not be liable for any shortfall that might apply if he was to do so.

As Mr B didn't agree, the complaint was passed to me to decide. I issued a provisional decision on 25 February 2026. It said:

*'I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.*

*When considering what is fair and reasonable, I'm required to take into account: relevant law and regulations, relevant regulatory rules, guidance and standards and codes of practice.*

*Both parties have provided a lot of information here. I'd like to reassure them that I've read and considered everything that's been sent, although I haven't commented on it all within this decision. I will be focussing on what I consider to be the key points of the complaint.*

*Mr B has made a lot of reference to R within his submissions to our service, in particular in relation to some of the work they carried out to the car after it had been returned to them, and how they've communicated with him. But I think I need to start by explaining I'm only looking at RCI's responsibility here as the finance provider for the car. Whilst RCI have responsibility for anything R said or did pre-sale, as they were acting as agents of RCI at the time – RCI don't have any responsibility for anything R have said or done, or not done, post-sale. R weren't acting as agents of RCI at that time.*

*As the hire purchase agreement entered by Mr B is a regulated consumer credit agreement this service is able to consider complaints relating to it. RCI are also the supplier of the goods under this type of agreement and are responsible for a complaint about their quality.*

*The Consumer Rights Act 2015 (CRA) covers agreements like the one Mr B entered. Because RCI 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, amongst other things, the age and mileage of the car and the price paid.*

*The CRA also says that the quality of goods includes their general state and condition, and other things like their 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 B's case, the car was brand-new when it was supplied, so I'm satisfied a reasonable person would expect it to be fault-free for a significant period of time.*

*Our investigator has explained that she thinks the car wasn't of satisfactory quality when it was supplied. Or, more accurately, that the car hasn't been sufficiently durable when it's considered that it was supplied brand-new to Mr B. I agree in this case. I'm satisfied that the evidence provided shows the car wasn't of satisfactory quality, and more than one opportunity to repair the faults has been given. I'll explain why.*

*From the information provided, it seems the car was performing as expected until May 2024, when it underwent its first service. From that date onwards, it appears Mr B started to experience intermittent problems with it, with warning lights for the anti-pollution system and electrical system being displayed at times. He contacted a breakdown recovery company when it happened, but it's unclear if he returned it to R on each occasion. However, I am aware that the car was returned to R in December 2024, with the faults identified as the anti-pollution light being illuminated and the car pulling to the left. R's job card confirms that the*

*pulling to the left couldn't be replicated during a road test, and a configuration was done to the car's computer to clear the anti-pollution warning, and checks confirmed it had been fixed. The car had covered approximately 15,250 miles at this point.*

*The following day, the anti-pollution warning was displayed again, along with a warning to check the electrical system. Mr B has provided photo evidence of both these faults to RCI and to our service. This would suggest that the configuration completed by R hadn't been successful. Mr B has suggested that the faults cleared themselves if he re-started the car three times, and it doesn't appear as though he returned to R at this point.*

*But the warning continued to appear, and Mr B took the car back to R again on 1 May 2025. The job card completed by R confirms the anti-pollution warning issue, and that the computer had been checked again. The mileage at this time was approximately 18,900.*

*Outside of the first 30 days, the CRA allows for one opportunity to repair. In Mr B's case, I'm satisfied that one opportunity to repair had already taken place when the car was returned to R in December 2024.*

*But the CRA also states that satisfactory quality includes the durability of the goods. In this case, I'm persuaded that the car hasn't been of satisfactory quality when I consider its age, and the mileage covered by Mr B. I'm not persuaded that a reasonable person would expect to experience the number of faults Mr B had when acquiring a new car. It should be expected to be free from fault for a significant period of time, and Mr B had only covered approximately 15,250 miles when R received the car back in December 2024. The car had only covered approximately 18,900 when it was returned again in May 2025 for the same fault. I'm persuaded that brings the durability of the car into question. As I consider the car hasn't been of satisfactory quality, I'm planning to decide that Mr B should have been allowed to reject it when he requested that from RCI when making his complaint in May 2025.*

*As I'm satisfied rejection should have been accepted by RCI in May 2025, they should now end the agreement with Mr B, with him not being responsible for any further monthly repayments. RCI should also arrange to collect the car from Mr B, without charging him for collection, if this hasn't been done already. RCI should refund Mr B's deposit contribution of £1,725.*

*The CRA says that a deduction can be made from any refund to take account of the use the consumer has had of the goods since they were delivered. It doesn't set out how to calculate fair usage and there's no exact formula for me to use. There isn't an industry standard mileage figure. My role is to decide cases quickly and informally – and I have to bear in mind Mr B has had continued use of the car in the period he's been in possession of it. So, in this case I think it's fair that RCI can keep all the monthly payments Mr B has made towards the agreement to reflect the use he's had of the car.*

*But, it's clear that Mr B was without a car, or a courtesy car, for a few days in early May 2025. Our investigator has asked RCI to refund the portion of Mr B's May 2025 monthly repayment, between 1 May and 6 May 2025, to reflect the time he was left immobile. I'm satisfied that's fair in the circumstances. She has also asked RCI to refund 5% of the remainder of May 2025's repayment as, although he was provided with a courtesy car, he wasn't able to enjoy the use of the car he had committed to acquiring. I think that's also reasonable here.*

*Mr B has explained the upset he's been caused by being supplied with a car of unsatisfactory quality. It's clearly been a troubling time for him and I can understand why. The car had displayed intermittent faults and Mr B had been back and forth to R to try and*

*get it fixed. His family circumstances meant this caused him more worry. He committed to acquiring a new car and couldn't have anticipated the problems he would encounter after a short period of time. No amount of money can change what's happened. But the compensation I'm planning to award is in line with what's awarded where the impact of the mistake has caused considerable distress, upset, or worry. I'm planning to ask RCI to pay Mr B £300 to reflect the inconvenience of being supplied with a new car that hasn't been of satisfactory quality.*

*In recent correspondence with our service Mr B has mentioned that he is going through the process of voluntary terminating the agreement and handing the car back to RCI. For the avoidance of doubt, I am planning to decide that Mr B should have been allowed to reject the car, and RCI should record how they end the agreement on their records in line with that.*

*I'd like to remind Mr B that's he's able to reject this decision if he believes he can achieve a better outcome by alternative means, such as through the courts.'*

Mr B responded and accepted the provisional decision in full.

RCI also responded and didn't accept the provisional decision. They said the configuration of the system in December 2024 couldn't be classed as a repair as it was an adjustment or maintenance step to reset the stored values. RCI said the only repair they consider to have been completed was in May 2025 when the alternator and PEB wiring loom were replaced. As far as they're aware, those repairs have been completed satisfactorily and no further faults have been identified.

### **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.

I'd like to thank both parties for responding to my provisional decision. RCI have provided further commentary, but I've already considered the points they have made carefully before I set out my provisional decision, so I don't intend to repeat myself here. Instead, I'll try to concisely explain why its comments haven't changed my mind.

I appreciate RCI's comments, and those provided by the manufacturer, which suggest the configuration, or calibration, in December 2024 formed part of the diagnostic process and should not be classed as a repair attempt. It was merely done to ensure everything was reset in the car.

However, the CRA definition of 'repair' states, in relation to goods that did not conform to the contract, it means making them conform. It doesn't specify it has to be a mechanical or electrical repair, just that repair should bring the goods back into conformity with the contract.

In Mr B's case, I'm satisfied this hasn't happened. The warning lights were displayed again the day after the calibration had taken place and were displayed again when he returned the car to R in May 2025. This persuades me that the calibration hadn't been successful and hadn't brought the car back into conformity with the contract. So, it follows that I remain satisfied that one opportunity to repair, in accordance with the CRA definition, had already been provided in December 2024, and the calibration hadn't worked as it was expected to.

Because of this, my final decision remains the same as I intended in my provisional decision and Mr B should have been allowed to reject the car in May 2025.

I'd like to remind Mr B that he's able to reject this decision if he believes he can achieve a better outcome by alternative means, such as through the courts.

### **My final decision**

For the reasons above, I uphold this complaint. RCI Financial Services Limited trading as Mobilize Financial Services must:

- End the finance agreement ensuring Mr B is not liable for any monthly repayments after the point of collection (they should refund him any overpayment for these if applicable).
- Take the car back without charging Mr B for collection (if this hasn't been done already).
- Refund Mr B's deposit contribution of £1,725.
- Refund Mr B the portion of his May 2025 monthly repayment when he was without the car or a courtesy car. This was between 1 May and 6 May 2025.
- Refund Mr B 5% of the remainder of his May 2025 repayment, to reflect the impaired use of being supplied with a courtesy car.
- Pay 8% simple interest on the refunded amounts, from the date of payment until the date of settlement.\*
- Pay Mr B £300 compensation to reflect the upset caused to him by being supplied with a new car of unsatisfactory quality.
- Remove any adverse information, in relation to this agreement, from Mr B's credit file (if applicable).

\*If RCI Financial Services Limited trading as Mobilize Financial Services consider they're required by HM Revenue & Customs to deduct income tax from that interest, they should tell Mr B how much they've taken off. They should also give him a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 10 April 2026.

Kevin Parmenter  
**Ombudsman**