

complaint

Mr C complains that the van he acquired a under a hire purchase agreement with RCI Financial Services Limited (the business) was not of satisfactory quality.

background

Mr C entered into a hire purchase agreement with the business in August 2013 to acquire a new van, registration date 1 September 2013. He says that shortly after acquiring the van he noticed that the tyres were not wearing evenly. In December 2013, after having driven 26,000 miles, he replaced the two rear tyres. Mr C contacted the dealer to discuss this issue a number of times over the following months and while his tyres were replaced for free as a gesture of goodwill, the underlying cause was not addressed.

Mr C says that it was not until July 2014 that an alignment report was carried out. Following this there was a technical assessment and the rear axle was found to be the cause of the problem. This was replaced under warranty. After the rear axle was replaced Mr C had another alignment report carried out and found that the nearside front wheel was still out of alignment.

Mr C says that it took a long time for his concerns to be properly considered and that throughout this time the business did not keep him up to date. He says he was concerned about driving the van, which he used for his business, because of the issues.

The business says that its dealership had worked with Mr C to address the problems with his van. It says the dealership inspected the car and replaced the rear axle after which the problems should have been resolved.

The adjudicator said that although Mr C contacted the dealer two months after acquiring the car, it took a further ten months and Mr C paying for his own investigation into the issue, for the dealer to consider the reasons why the van tyres were wearing unevenly. He said that during this time, Mr C had paid for his tyres to be adjusted and replaced. He found that the business should reimburse Mr C for these costs and also pay him £200 compensation for the inconvenience this issue had caused.

The business agreed to pay Mr C's out of pocket expenses of £139.93 and offered £60 in dealer vouchers.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. Mr C acquired a new van in 2013 under a hire purchase agreement. Under the regulations, the business is liable if the van was not of satisfactory quality when it was sold.

Mr C has complained about the service provided by the dealership but my role is only to look at whether the van was fit for purpose at the point of sale and if not, what, if anything, the business is required to do to put this right. I can also consider the service provided to Mr C by the business.

Mr C has settled the agreement and the van has been sold. The outstanding issue is what, if any, compensation Mr C should be paid for the problems he experienced.

Mr C noticed shortly after acquiring the van that the tyres were not wearing evenly and he brought this to the attention of the dealership. However, it was not until almost a year later, after Mr C had raised the issue a number of times and had his own independent inspection carried out, that the dealer properly investigated the problem. This investigation showed that the rear axle needed replacing.

Given the van was new when Mr C acquired it, and based on the results of the inspection reports, I find that the problems causing the uneven wearing of the tyres were more likely than not to have been present at the point of sale. Therefore I find that the business was required to remedy this.

The dealership did provide Mr C with new tyres during the time he had use of the van at no cost. It also replaced the rear axle under warranty. It has also offered to pay Mr C £139.93 to cover the cost of the adjustment and replacement of the tyres that Mr C paid for in December 2013. I find this reasonable.

Mr C has been inconvenienced by the problems with his van. He has explained that he uses the van for his business and that it costs him money to not have use of the van while it is undergoing repairs. Mr C raised issues shortly after acquiring the van but the dealership did not deal with the problem then. Because it did not investigate the underlying problem causing the uneven wear on the tyres, Mr C was required to make more visits to the dealer and contact both the dealer and the business on a number of occasions. This has caused him inconvenience and disrupted his work. Mr C has also been caused stress because he was worried about driving the van while it had a known fault.

Because of this I find that the business should pay Mr C compensation of £200. This should not be paid in dealer vouchers.

my final decision

My final decision is that I uphold this complaint. I direct RCI Financial Services Limited to:

- pay Mr C £139.93 plus interest at a rate of 8% from 6 December 2013 to the settlement date to cover the costs paid by Mr C for the adjustment and replacement of his tyres;
- pay Mr C £200 compensation for the inconvenience and stress this issue has caused.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr C to accept or reject my decision before 10 April 2015.

Jane Archer
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