

complaint

Mr S complains that a car he took receipt of and that was financed under a conditional sale agreement with Close Brothers Limited was faulty when he received it. He wants to reject it as the cost of repair is prohibitive.

background

In July 2015 Mr S took receipt of a second hand 2009 registration car that had completed 56,000 miles. He financed his conditional sale agreement through Close Brothers Limited (Close Brothers) but four months later in November he had to take the car back to get a series of faults looked at. These included faults with the headlights, fog lights, brake lights, parking sensors, air conditioning and temperature gauge. Mr S tried to get these faults fixed by the dealership but they couldn't.

So Mr S complained to Close Brothers. He originally wanted them to arrange for the problem to be fixed but they disagreed so he referred his complaint to this service.

Our investigator discussed the issue with Close Brothers and they said, as a goodwill gesture and on provision of estimates by Mr S, they would pay for the repair. But the estimates showed that the extent of the work required was extensive and may well cost more than the car was worth. The independent garages who inspected the car both agreed that there were a range of electrical faults present and many non standard components fitted. Amongst other comments they said that the wiring loom was loose; multi-plugs were not fitted and wires were joined together with soldering tape.

Close Brothers accepted that this meant a repair wasn't feasible but they refused to allow Mr S to reject the vehicle as they said there was no proof the faults were present when he purchased the car.

So Mr S asked for a final decision by an ombudsman.

my findings

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

I agree with the opinion of the investigator and for similar reasons. I'll explain.

This was a used vehicle and had completed 56,000 miles so Mr S couldn't have expected it to be completely fault free but he could have expected it to be in good working order and this was clearly not the case. There were many faults with the electrics that affected many of the car's key components.

The Consumer Rights Act 2015 is the relevant legislation and we'd usually say that if a fault presented itself within 6 months it was more than likely it was there at the point of sale. Mr S reported a series of electrical faults only 4 months after he took ownership of the car and they still haven't been resolved 2 years later.

I note that there was some delay in booking the vehicle in for inspection after Mr S originally reported the fault. But I don't think this delay matters. At no time have the faults reported by

Mr S in November 2016 been disputed and the repair estimates Mr S has obtained demonstrate that the faults he originally reported are still present on the vehicle.

The faults are due to wrong components being fitted and significant issues with the integrity of the wiring loom. For these issues to have developed after the car was purchased Mr S would have to have fitted wrong components himself; removed multi-plugs and loosened the wiring loom. I don't think that's likely and I think it's much more likely that the issues have been there since Mr S took ownership. I therefore think it's right that Mr S should be allowed to reject the vehicle.

Mr S has been inconvenienced by the problems he's faced with the cars electrics and the need to regularly follow the issues up with the dealership and Close Brothers. It's fair that Close Brothers pay him some compensation for that and I'm asking them to do so.

He's also had his enjoyment of the vehicle impaired. The lighting problems would have made it difficult for him to drive in the dark and in foggy conditions so I'm ordering Close Brothers to return some of the instalments Mr S has made under his conditional purchase agreement in recognition of this.

my final decision

For the reasons given above I am upholding this complaint and telling Close Brothers Limited to:

- allow Mr S to reject his car
- return Mr S's deposit and add 8% simple interest per annum from the date the deposit was paid until settlement is made
- cancel the credit agreement and make sure this shows as settled on Mr S's credit file
- pay Mr S £300 for the distress and inconvenience their actions have caused him and
- return 20% of the instalments Mr S has paid and add 8% simple interest per annum to reflect the impaired use he's had of the vehicle

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 5 January 2018.

Phil McMahon
ombudsman