

complaint

Miss D complains about the quality of a car she acquired under a hire purchase agreement with RCI Financial Services Limited

background

Miss D acquired a new car financed by a hire purchase agreement with RCI in September 2013. She experienced problems with the stop start function a year later. It first cut out in September 2014. This happened again on one occasion in October and November 2014, twice in December, and once in March 2015. The car also jumps forward, and will not restart. The seatbelt warning system starts when the seat is empty. The brakes squeak, and the handbrake does not hold the car on a hill.

Miss D complained to RCI in November 2014. It replaced the battery in early 2015. In March 2015, Miss D continued to experience problems with the stop/start function. Fault codes are also displayed in the car. It was inspected on several occasions. A 127 mile road test took place, and a diagnostic check was carried out. No problem could be found with the vehicle.

Miss D was told that the fault codes were due to historic incidents, and they did not appear during the testing of the car. RCI explained that the car may not restart if several things happen, for example, a seatbelt is unfastened or a door opened.

Miss D was not happy with this response. She took the car to a different garage. This reported two diagnostic codes. RCI said it had investigated these issues. They related to a time when the car had been driven for less than 100 miles. This was before Miss D was having problems with it.

Miss D was not happy with RCI's response. As a result, it agreed to have a further inspection of the car carried out in August 2015. No fault was found with the stop/start function. The front brakes were worn and this was causing the squeaking. RCI agreed to replace them free of charge. The MediaNav system is to be repaired under warranty. RCI agreed to inspect the car in more detail as it could not find any other fault with it as reported by Miss D.

The manufacturer of the car has sent a recall letter regarding the brake hose which affects 1% of cars. It will inspect the car and repair free of charge if necessary.

Miss D wishes to reject the car and brought a complaint to us to consider.

The adjudicator did not recommend that the complaint should be upheld. He considered that there was no inherent fault with the car's stop/start function. He noted RCI have agreed to replace the brake pads and repair the Media/Nav system at no charge to Miss D. It will also carry out a further inspection regarding the issues Miss D has with the car.

Miss D is not happy to accept the adjudicator's recommendation. She says that the fault codes appear after the stop/start won't work. Miss D does not agree that certain conditions affect the way stop/start system works.

Since the adjudicator's view was issued, Miss D sent in a copy of a report from a break down company dated 1 October 2015. Her car stopped at traffic lights and would not restart. The engineer suspected it was caused by a problem with the start/stop function.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Where evidence is incomplete, inconsistent or contradictory (as some of it is here), I reach my decision on the balance of probabilities – in other words, what I consider most likely to have happened in light of the available evidence and wider circumstances.

The issue is whether the car was of satisfactory quality at the point of sale. Legislation says that goods should be of satisfactory quality. That includes that they are free from defects and durable.

To hold RCI liable here, I have to decide if there was an inherent, latent fault present when she acquired the car in September 2013. I note that the car wouldn't start for the first time a year after she bought it in October 2014. I think if there was an inherent problem with the stop/start function, it would have become apparent much sooner than it did. I am aware that two fault codes appeared when the car had been driven for less than 100 miles. This did not appear to cause any problems with the car. Miss D did not raise any complaint about it at this time.

A number of inspections have been carried out on the car. None have been able to find any fault with the stop/start function. RCI has explained that it does not work in some conditions. Miss D denies that this is the case. Overall and on balance, I am persuaded by the inspections that have taken place that there is no inherent fault with the stop/start function that was present at the point of sale. I consider that any fault would have shown up in at least one of the tests that took place on the car.

The report by the breakdown company does not persuade me that the car was inherently faulty. It was not an in depth inspection of the car, but rather a roadside repair.

Similarly the fault codes appear to display intermittently. No issue with this could be found during the inspections. Again I am not persuaded on balance that there is an inherent fault in this respect.

I note that RCI has agreed to replace the car's brake pad and repair the Media/Nav system at no charge to Miss D. I consider this is reasonable.

RCI has also agreed to carry on looking into other issues Miss D is not happy with. Again I consider this is fair.

I appreciate Miss D will be unhappy with my decision as her strength of feeling about the car is clear. However, she is not bound by it. If she does not wish to accept my decision, she can choose to consider alternative action against RCI, for example through the courts.

my final decision

My decision is that RCI Financial Services Limited should replace the brake pads on the car, and repair the Media/Nav system at no cost to Miss D as it has agreed to do. It should also investigate her other concerns as set out in the inspection report dated 21 August 2015 if Miss D agrees to this.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss D to accept or reject my decision before 13 November 2015.

Rosemary Lloyd
ombudsman