

## **The complaint**

Mrs B complains about the quality of a car she has been financing through an agreement with Vauxhall Finance plc (“VF”).

## **What happened**

The details of this complaint are well known to both parties, so I won’t repeat them again here. Instead I’ll focus on giving my reasons for my decision.

## **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 know it will disappoint VF, but I agree with the investigator’s opinion. Please let me explain why.

Where the information I’ve got is incomplete, unclear, or contradictory, as some of it is here I have to base my decision on the balance of probabilities.

I’ve read and considered the whole file, but I’ll concentrate my comments on what I think is relevant. If I don’t comment on any specific point it’s not because I’ve failed to take it on board and think about it but because I don’t think I need to comment on it in order to reach what I think is the right outcome.

Mrs B acquired her car under a conditional sale agreement. This is a regulated consumer credit agreement and as a result our service is able to look into complaints about it.

The Consumer Rights Act (2015) is the relevant legislation. It says, amongst other things, that the car should have been of satisfactory quality when supplied. If it wasn’t then VF, who are also the supplier of the car, are responsible. The relevant law also says the quality of goods is satisfactory if they meet the standard that a reasonable person would consider satisfactory taking into account any description of the goods, the price and all the other relevant circumstances.

In a case like this which involves a car the other relevant circumstances would include things like the age and mileage at the time the car was supplied to Mrs B. The car here was brand-new so I don’t think a reasonable person would expect it to have any faults.

Mrs B has provided a couple of breakdown recovery reports that document extensive fault codes reported on the car in August and October 2021. Both reports explain that the car was misfiring and many of the fault codes reported are the same. The dealership attempted repairs on two occasions in August 2021 but it’s clear those repairs were unsuccessful as the faults persisted in October 2021.

The relevant legislation says that when we consider whether goods have been of satisfactory quality we should think about whether they’ve been durable. I don’t think that

can be said to be the case here. I don't think a reasonable person would expect a new car to experience such extensive problems within the first 7,000 miles of driving.

The relevant legislation allows the business one opportunity to repair faults present at the point of supply. As they've had this opportunity and the faults persist VF should now allow Mrs B to reject the car and to end her finance agreement with them.

### **Putting things right**

VF should collect the car, if they haven't already done so, and at no cost to Mrs B. They should end the finance agreement.

They'll need to refund any deposit Mrs B has paid and, as she's been deprived of that money, they will need to add interest to that refund.

It's not fair that Mrs B should be expected to pay for a car she has had no use of since 14 October 2021. I think, given the problems she had experienced, it was reasonable for Mrs B to leave the car with the dealership at that point and I think VF should refund any finance instalments she's paid since then in respect of loss of use. They'll need to add interest to that refund too and for the same reasons.

Mrs B has been inconvenienced by these issues. She's had the car recovered on a few occasions and has had to arrange alternative transport. She's also had to escalate her complaint to this service when I think it could have been resolved earlier for her. In those circumstances I think VF should pay her £250 in compensation.

### **My final decision**

For the reasons I've given above I uphold this complaint and tell Vauxhall Finance plc to:

- Collect the car, if they haven't already done so, and end the finance agreement.
- Refund any finance instalments paid since 10 October 2021 in respect of loss of use. Add 8% simple interest per year from the date of payment to the date of settlement.
- Refund any deposit Mrs B has paid and add 8% simple interest per year from the date of payment to the date of settlement.
- Pay Mrs B £250 to compensate her for the distress and inconvenience experienced.
- Remove any adverse reports they may have made to Mrs B's credit file in relation to this issue.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 7 July 2022.

Phillip McMahon  
**Ombudsman**