

The complaint

Mr C is unhappy that a car supplied to him under a hire purchase agreement with RCI Financial Services Limited trading as Renault Finance was of an unsatisfactory quality.

What happened

In January 2023, Mr C was supplied with a used car through a hire purchase agreement with RCI. He paid an advance payment of £100, and the agreement was for £10,395 over 60 months; with 59 monthly payments of £229.52 and a final payment of £230.52. At the time of supply, the car was almost six years old, and had done 47,696 miles.

Mr C experienced problems with the car shortly after it was supplied to him. Job sheets dated between 26 January and 15 December 2023 show the car went back in for repair on at least four occasions with multiple issues. All the faults were fixed at no cost to Mr C, although he's said there's a current fault with the infotainment system. Mr C also says he spent around £800 in travel to and from various different garages getting the car repaired.

Unhappy with the quality of the car, and concerned when it would break down again, Mr C complained to RCI. They didn't uphold his complaint as the car has been repaired, but they offered him £150 as a gesture of goodwill for the inconvenience he'd suffered. Mr C didn't accept this offer, and he brought his complaint to us for investigation.

Our investigator was satisfied there were faults with the car when it was supplied to Mr C, and these made the car of an unsatisfactory quality. However, they thought the repairs to the car were reasonable in the circumstances. And the infotainment system had been checked and the fault couldn't be replicated. So, the investigator didn't think Mr C had the right to reject the car.

The investigator also said Mr C had been asked to book the repairs at a local dealer approved garage, but he'd chosen to have the work done at different garages as it was more convenient for him. Given this, and there was no evidence that the faults that necessitated these trips arose from faults that were present or developing when the car was supplied to Mr C, the investigator said that RCI shouldn't be responsible for Mr C's travel costs.

However, the investigator agreed that Mr C had been inconvenienced by what had happened, so they thought RCI should pay him £250 to compensate him for this.

RCI agreed with the investigator's opinion, but Mr C didn't. He said the investigator hadn't considered a "*chip on the bonnet about the size of a £0.50 coin*" which he had to get resprayed, nor had they considered the issue with the shock absorbers. So, he asked for this matter to be sent to an ombudsman for a final 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.

Having done so, I've reached the same overall conclusions as the investigator, and for broadly the same reasons. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome. Where evidence has been incomplete or contradictory, I've reached my view on the balance of probabilities – what I think is most likely to have happened given the available evidence and wider circumstances.

In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and (if appropriate) what I consider was good industry practice at the time. Mr C was supplied with a car under a hire purchase agreement. This is a regulated consumer credit agreement which means we're able to investigate complaints about it.

The Consumer Rights Act 2015 ('CRA') says, amongst other things, that the car should've been of a satisfactory quality when supplied. And if it wasn't, as the supplier of goods, RCI are responsible. What's satisfactory is determined by things such as what a reasonable person would consider satisfactory given the price, description, and other relevant circumstances. In a case like this, this would include things like the age and mileage at the time of sale, and the vehicle's history and its durability. Durability means that the components of the car must last a reasonable amount of time.

The CRA also implies that goods must conform to contract within the first six months. So, where a fault is identified within the first six months, it's assumed the fault was present when the car was supplied, unless RCI can show otherwise. But, where a fault is identified after the first six months, the CRA implies that it's for Mr C to show it was present when the car was supplied.

So, if I thought the car was faulty when Mr C took possession of it, or that the car wasn't sufficiently durable, and this made the car not of a satisfactory quality, it'd be fair and reasonable to ask RCI to put this right.

In this instance, it's not disputed that Mr C has had multiple problems with the car. Section 24(5) of the CRA says "*a consumer who has ... the right to reject may only exercise [this] and may only do so in one of these situations – (a) after one repair or replacement, the goods do not conform to contract.*" This is known as the single chance of repair.

The CRA is clear that, if the single chance at repair fails, as was the case here, then Mr C has the right of rejection. However, this doesn't mean that Mr C is required to reject the car, and he can agree an alternative remedy i.e., further repairs to the car. It's also not disputed that Mr C accepted further repairs to the car, which included repairs to the chip in the paintwork and to the shock absorbers. As such, in doing so, Mr C no longer has the right to reject *unless* either (a) one of the repairs that have already taken place was unsuccessful (and Mr C didn't accept a further repair to rectify this), or (b) there is still an unrepaired issue with the car that was either present or developing at the point the car was supplied.

Based on the evidence I've seen I'm satisfied that all the repairs that have taken place have been successful. Mr C has also said there's an issue with the infotainment system overheating. However, I haven't seen any evidence of this fault (and tests on the car can't replicate this), nor have I seen anything to show me that this relates to something that was present or developing when the car was supplied.

As such, and while I appreciate this will come as a disappointment to Mr C, I'm satisfied that he doesn't have the right to reject the car under the CRA. However, this doesn't mean he wasn't impacted by what's happened, and RCI need to do something to put this right.

Putting things right

It's clear that Mr C has been inconvenienced by having to arrange for the car to be repaired on multiple occasions. Although it was his choice to have some of these repairs done at a garage that was not local to him, thereby incurring additional travel costs which I don't consider RCI are liable for, I still think RCI should compensate Mr C for what's happened.

The investigator had recommended RCI pay Mr C £250, which RCI have agreed with. As this is in line with what I would've directed had no recommendation been made, I see no compelling reason not to adopt this as part of my final decision.

Therefore, RCI should:

- pay Mr C a total of £250 to compensate him for the trouble and inconvenience caused by being supplied with a car that wasn't of a satisfactory quality - if the £150 previously offered has already been paid, then RCI should pay Mr C an additional £100 to take the total payment to £250.

My final decision

For the reasons explained, I uphold Mr C's complaint about RCI Financial Services Limited trading as Renault Finance. And they are to follow my directions above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 15 July 2024.

Andrew Burford
Ombudsman