

The complaint

Mr A complains about the quality of a car he acquired under a hire purchase agreement (“agreement”) with Black Horse Limited trading as Land Rover Financial Services (“LRFS”).

What happened

In October 2021 Mr A entered into an agreement for a new car costing £59,131. Under the terms of the agreement, everything else being equal, Mr A undertook to pay a deposit of £11,750 followed by 48 monthly payments of £573.43 and 1 monthly payment of £27,207 making a total repayable of £66,481.64 at an APR of 4.9%. Mr A purchased the car from a dealership that I will call “R”.

In November 2022, following a no fault accident, the car was taken to a garage that I will call “P” for repairs. The odometer reading at this time was 11,980.

In December 2022 the car was returned to Mr A by P after two doors and the left rear suspension had been replaced.

In January 2023 the car was taken to a garage that I will call “B”. Faults with the infotainment system and the child locks were identified and fixed and the coolant was topped up.

In February 2023 the car was taken to B. A door rattle was fixed, a door latch was replaced (to fix further problems with the child locks) and a software update was done (in respect of the infotainment system). The odometer reading at this time was 13,448.

In April 2023 the car was taken to B. A door latch was replaced and a cable secured. The odometer reading at this time was 15,953.

In April 2023 a road assistance company inspected the car and identified the above repair had been unsuccessful. The odometer reading at this time was 16,083.

In May 2023 Mr A complained to LRFS about the quality of the car he had been sold. He said there were a number of faults with it that weren’t accident related. Of particular concern to Mr A was an issue with the door handles.

In May 2023 a road assistance company inspected the car and identified an issue with the central locking and one of the doors. The odometer reading at this time was 16,138.

In May 2023 LRFS issued Mr A with a final response letter (“FRL”). Under cover of this FRL LRFS said it wasn’t upholding Mr A’s complaint because there was *“no evidence that the faults [that Mr A had raised] were present or developing at the point of sale”*.

In May 2023 the car was taken to B. It was identified that new heat shields and retaining springs were required.

In June 2023 the car was taken to R for inspection and diagnostics. R concluded that all reported faults needed to be taken up with P.

In July 2023 an inspection, at the request of the insurer, was undertaken. On receipt of the inspector's report the insurer concluded it wasn't liable for any of the faults Mr A had raised including faults with the locking system, the door handles, the doors, the alarm, the charger and a noise coming from the left hand side when driven.

In August 2023 the car was taken to B for inspection and repair.

In October 2023 all four door handles were replaced by B.

In October 2023 an inspection, at the request of Mr A, was undertaken, The motor engineer concluded:

- there was a broken washer likely caused by the no fault accident or subsequent repairs in respect of the same and the car needed to be returned to the garage that undertook the no fault accident repairs
- all other faults raised by Mr A had been satisfactorily repaired under warranty
- there was an outstanding recall on the car which Mr A would need to liaise with the manufacturer about

The odometer reading at this time was 18,426.

In October 2023 the car was returned to Mr A by B.

In November 2023 and having considered everything the parties had said and submitted to date one of our investigators came to the view that LRFS need do nothing further in respect of Mr A's complaint.

Mr A responded to say that he didn't agree with the investigator's view and provided a photograph of what he says shows there is still an issue with at least two of the door handles. He also provided, from the motor engineer he had appointed in October 2023, the following statement:

"we would consider in our opinion the faults/problems with the doors and locking would be the manufacturers responsibility. The second fault with regards to the heat shields problems would be the repairing agent who undertook the work".

Mr A also provided correspondence he had with B in November 2023 about the car possibly going back for further investigation and diagnostics in respect of the issue with the door handles.

The investigator considered Mr A's response to his view but wasn't persuaded to change his mind. And because the investigator wasn't persuaded to change his mind Mr A's complaint was passed to me for review and decision.

In March 2024 I issued a provisional decision on this case. In summary I said:

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

My role here is to resolve disputes informally – so I won't be commenting on everything put forward by the parties – I will focus on the matters I consider central to this complaint.

Matters have moved on since LRFS issued its FRL. However, it appears that Mr A's complaint hasn't really changed since LRFS issued its FRL, that being he was supplied with a car that was of unsatisfactory quality. So I'm proceeding on the basis that although matters have moved on I can fairly and reasonably make a finding on everything here.

The agreement in this case is a regulated consumer credit agreement. As such, this service is able to consider complaints relating to it. LRFS is also the supplier of the goods under this type of agreement, and responsible for a complaint about their quality.

In this case the Consumer Rights Act 2015 ("CRA") is of particular relevance. It says that under a contract to supply goods, there is an implied term that "the quality of the goods is satisfactory".

The CRA says the quality of goods are 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. So it seems likely that in a case involving a car, the other relevant circumstances a court would take into account might include things like the age and mileage at the time of sale and the car's history.

The CRA says the quality of the goods includes their general state and condition and other things like their fitness for purpose, appearance and finish, freedom from minor defects, safety, and durability can be aspects of the quality of goods.

My starting point is LRFS supplied Mr A with a brand new car with a purchase price of almost £60,000. With this in mind I can understand why Mr A is unhappy. But for me to be able to uphold his complaint I need to be satisfied that what Mr A says are, or have been, faults with the car are ones that are present now, in other words they haven't been repaired, and that they are ones that were present or developing at the point of sale, in other words, they aren't ones that occurred or started to develop post sale as a result of something outside of LRFS', R's or the manufacturer's control, for example an accident.

The evidence in this case is finely balanced. Mr A has provided evidence that post October 2023 there are still faults with at least two of the door handles, a copy of a report undertaken by the insurer concluding it wasn't liable for any of the faults Mr A has raised and a statement from his appointed motor engineer saying any faults with the doors and locking would be the manufacturer's responsibility.

However, what I find very persuasive in this particular case is that Mr A experienced no faults with the car until after he was involved in a no fault accident and after he had been in possession of the car for approximately 12 months and after he had been able to travel almost 12,000 miles.

This fact, together with the nature of the no fault accident damage and what Mr A's appointed motor engineer initially found, leads me to conclude that despite the evidence provided by Mr A to the contrary the current faults with the car are, on the balance of probabilities, more likely than not as a result of the no fault accident Mr A was involved in and/or the quality of the repair undertaken by P.

Unfortunately for Mr A what this means is that I'm currently of the view that LRFS isn't responsible for the faults he is currently experiencing with the car and it need do nothing further in respect of them. In other words, I'm satisfied that the faults Mr A is currently experiencing with the car aren't as a result of faults that were present or developing at the point of sale.

I appreciate that there has been a number of successful, and what Mr A would say were unsuccessful, repairs undertaken by B since October 2023 including in respect of the door handles. But I'm not persuaded that this constitutes an acceptance by R or the manufacturer that the car was of unsatisfactory quality when supplied and certainly not an acceptance of the same by LRFS.

LRFS didn't respond to my provisional findings.

Mr A responded to my provisional findings to say he disagreed with them. In his response Mr A clarified the date he took delivery of the car, what repairs were undertaken following the no fault accident and the length of his warranty. He also provided pictures which he says shows there is still a problem with one or more of the door handles.

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 would like to thank Mr A for clarifying the date he took delivery of the car and what he understands were the repairs undertaken following the no fault accident. But I'm satisfied that this clarification, although helpful and appreciated, has no material bearing on my findings.

I also don't dispute that Mr A may still be experiencing problems with one or more of the door handles. But as I said in my provisional decision I'm not persuaded this is something that LRFS are responsible for remedying or compensating Mr A for.

I appreciate Mr A will be disappointed. But given what I say above I can confirm that I see no good reason to depart from my provisional findings and I now confirm them as final.

My final decision

My final decision is I don't uphold this complaint.

My final decision concludes this service's consideration of this complaint, which means I'll not be engaging in any further consideration or discussion of the merits of it.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 3 May 2024.

Peter Cook
Ombudsman