

The complaint

Mr S complains that the car he acquired through a hire purchase agreement with FCE Bank Plc trading as Ford Credit wasn't of satisfactory quality.

What happened

Mr S entered into a hire purchase agreement in June 2019 to acquire a new car. In June 2022 he took his car for an MOT and service. The car failed the MOT due to issues with the emissions and shock absorbers. The cost of the repairs needed to resolve the emissions issue was covered by Mr S's warranty, but he was required to pay for the repairs to the shock absorbers. Mr S says that given his car wasn't even three years old when the MOT took place, these issues shouldn't have arisen and so he shouldn't have had to pay for the repairs. He also complained about the service provided by the dealership and that it returned his car dirty and damaged.

Ford Credit issued a final response letter in July 2022. It said it had contacted the dealership that said the car was brought in for MOT with existing damage. When inspected it was found that the rear shock absorbers were damaged, and the Engine Management Light (EML) was on. The dealership confirmed whilst the vehicle was in the dealership the warranty expired but it was agreed the EML repair would be covered by the warranty. The repair to the shock absorbers wasn't covered by the warranty as this issue was caused by damage to the car. It noted Mr S's comments about the state of the vehicle on return and said the dealership had accepted this and the car was to be valeted and the scratches repaired.

Mr S wasn't satisfied with Ford Credit's response and referred his complaint to the Financial Ombudsman Service. Our investigator upheld this complaint. She said the issues on which the car failed its MOT had arisen prematurely – noting the age of the car and that Mr S had driven it less than 5,400 miles. She recommended that the cost of the repair to the shock absorbers be refunded along with interest and that Mr S be paid £150 compensation for the distress and inconvenience he had suffered by being supplied with a car that wasn't of satisfactory quality.

Ford Credit responded to our investigator's view. It said the car had been stolen and could have been damaged at that time and that the dealership had confirmed the fault wasn't consistent with a warranty repair. It said the car was damaged when taken for the MOT and the dealership thought this damage affected the shock absorbers.

My provisional conclusions

I issued a provisional decision on this complaint. I have set out my findings below.

When evidence is incomplete, inconclusive or contradictory, I've made my decision on the balance of probabilities – that is, what I think is more likely than not to have happened given the available evidence and wider circumstances. Mr S has raised concerns about the service provided by the dealership while his car was in for repair and the state of the car on return. However, this complaint is raised against Ford Credit, and I cannot hold Ford Credit

responsible for the service provided by the dealership, only the service it provided and its liability under the relevant regulations.

Mr S acquired a new car through a hire purchase agreement with Ford Credit in June 2019. Under the relevant regulations, specifically the Consumer Rights Act 2015, Ford Credit can be held liable if the car supplied wasn't of satisfactory quality. As the car in this case was new at supply, it is reasonable to expect it to be free from faults, including minor defects.

Mr S took the car for its first MOT in June 2022 when the car was three years old. It had been driven less than 5,400 miles at the time. The car failed the MOT for the following issues:

- Exhaust Lambda reading after 2nd fast idle outside specified limits
- Exhaust emissions - engine idle speed too high
- Offside Rear Shock absorbers has a serious fluid leak

Based on the above it is clear there were faults with the car when the MOT took place in June 2022. The faults were repaired, and the car passed the MOT in July 2022. However, for me to say that Ford Credit has liability in regard to the repairs undertaken I would need to be satisfied that the issues raised were due to faults present or developing at the point of supply.

The first two issues were resolved under warranty. So, while it is likely these were issues that arose prematurely, I do not find I need to consider these further as the repair was undertaken without cost to Mr S.

Mr S was required to pay for the repair to the shock absorbers, so I have considered whether the issue with the shock absorbers was more likely than not due to a fault present from the point of supply. While I agree with our investigator that issues with the shock absorbers wouldn't generally arise on a car of Mr S's age and mileage, I have also had to consider the other evidence provided in this case.

Ford Credit referred to its system notes that said that Mr S's car was stolen in January 2022, and they were awaiting insurance details. However, it has since provided a copy of the HPI check and this confirms the car wasn't stolen so I have disregarded this comment. The dealership has been consistent in its comments about the car being damaged when it was brought in for the MOT. The notes provided by Ford Credit from its discussion with the dealership say that the shock absorbers weren't covered by the warranty due to the bodywork damage to the vehicle. It further states that Mr S has cosmetic cover which can repair the bodywork and the forms had been submitted for this. I have requested copies of any job cards showing repaired damage unfortunately these haven't been able to be provided. But, based on the evidence provided I find it reasonable to accept that the car was damaged when taken for its MOT and that this could have caused the issue with the shock absorbers. Because of this I cannot say that the issue with the shock absorbers was the result of a fault present or developing at supply or that they weren't sufficiently durable as the damage could have resulted in the failure. Therefore, I do not find that I can say Ford Credit is liable to cover this cost.

While it is possible that the other issues raised at MOT meant the car did have a fault present or developing at the point of supply as the cost of the repairs required to resolve this was covered by the warranty, I do not find that I can say Mr S was caused any financial detriment because of this. I appreciate the issues have caused Mr S distress and inconvenience, but they appear to be linked to the service of the dealership rather than Ford Credit. Given this I do not find in this case I can uphold this complaint.

No new evidence was provided in response to my provisional 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.

As I set out in my provisional decision, there were faults identified with the car when it was taken for its MOT in June 2022. While some of the issues were repaired under warranty and so at no cost to Mr S, he was required to pay for the repairs to the shock absorbers.

For me to say that Ford Credit was liable for the cost of this repair, I would need to be able to say it was more likely than not that the issue with the shock absorbers was due to a fault present or developing at the point of supply. Considering all the evidence provided in this case I do not find I can say that that this is the case or that the shock absorbers weren't sufficiently durable as the damage noted when the car was taken for the MOT could have resulted in their failure. Therefore, I do not find that I can say Ford Credit is liable to cover this cost.

No new evidence was provided in response to my provisional decision and so my conclusions haven't change. So, for the reasons I set out in my provisional decision I do not uphold this complaint.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 18 October 2023.

Jane Archer
Ombudsman