

The complaint

Mr G complains that the car he acquired through a hire purchase agreement from Toyota Financial Services (UK) PLC ("Toyota") was not of satisfactory quality.

What happened

In June 2022 Mr G entered into a hire purchase agreement to acquire a used vehicle from Toyota on a five year agreement. He complained to the supplying dealership soon after getting the car, as it seemed the hybrid unit wasn't working, and the vehicle was running on petrol only. Toyota have confirmed this was repaired at that time. Mr G has also told us there was some damage to a wing mirror at some point.

Then in 2023, Mr G's car was vandalised, and the catalytic convertor was stolen. At some point after this, Mr G complained to Toyota about the quality of the car and sold it back to the dealership. He has told us that sale was at a large loss of value which was also unfair.

Toyota looked into his complaint and responded in May 2023 with their final response letter (FRL). They did not uphold it. They said the hybrid unit issues had been repaired at the time, and they had seen no evidence of any ongoing issues with this. They confirmed that Mr G had chosen to sell the vehicle back to the dealership without getting the catalytic convertor replaced or the damage repaired, which may well have reduced the value of the car, but he'd done this having been advised to get it fixed first and having had many discussions about his options with the dealership.

Mr G brought his complaint to our service shortly after this, and the investigator here did not uphold the complaint. They explained that the hybrid unit had been repaired in 2022 at no charge to Mr G, so this fault had been repaired, which is a suitable remedy under the Consumer Rights Act 2015 (CRA).

They also explained that Mr G had said there should have been a hybrid unit certificate supplied with the car to show it was checked and working, and this meant the car had been misrepresented to him. The investigator explained that they hadn't seen any evidence of this being misrepresented to Mr G, and he would have been expected to check the documents he got with the car to raise any concerns at the point of sale.

Finally, they said Mr G also raised concerns around not being provided with a courtesy car after his car was damaged in the catalytic convertor theft. The investigator didn't feel this was something Toyota would be expected to provide. Toyota had also explained in their FRL that if a courtesy car was to be supplied, it would have been Mr G's car insurance company responsible for this, as the car had been damaged in the catalytic convertor theft, and this wasn't their responsibility, and didn't involve the quality of the goods they had supplied.

Mr G disagreed with the investigator view and asked for a final decision. He said the car was not of satisfactory quality as per the CRA, because the hybrid unit was faulty. He also said that the insurance company had paid the dealership for the repairs to be carried out after the catalytic convertor theft, and the depreciation in value he suffered wasn't fair. So, the case has been passed to me 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.

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 G was supplied with a vehicle under a hire purchase agreement. This is a regulated consumer credit agreement which means we're able to look into complaints about it.

The complaint here has been complicated by circumstances. The fact the vehicle had the Catalytic convertor stolen and was damaged is not part of the complaint about the quality of the vehicle when supplied. That has just led to Mr G deciding to sell the car back to the dealership. The price Mr G achieved for the car, and his complaint about it being under valued is also not part of the complaint about the satisfactory quality of the vehicle. Whatever price Mr G chose to either pay for the car when he acquired it or chose to sell the car back to the dealership for, are not relevant to a complaint about the satisfactory quality of the car.

They also aren't something for Toyota to answer here, or for our service to comment upon. These are personal decisions made by Mr G, and I won't be commenting further other than to say I won't be upholding these concerns, as they were simply his choices as to what to pay for the car, and what to sell the car for. Toyota have made no error here or been involved in those choices.

I will focus on the quality of the car he was supplied, and Mr G's concerns with that. He has quoted the CRA here, and this is central to my decision on the car, and whether it was of satisfactory quality.

Both parties have agreed that when the car was supplied in June 2022, there was a fault with the hybrid unit. Mr G took the car back to the dealership, and they repaired the unit. Mr G says he didn't ask them to repair it but had asked for the car to be exchanged. I've seen no evidence to corroborate this, so have gone on to think about how likely this was.

If Mr G had only wanted the car replacing, and didn't want a repair, I'm unsure why he would have driven the car away after the repairs without complaining. I've seen no complaint evidence until after the catalytic convertor theft the following year. Overall, I'm persuaded that the balance of probability is that even if it wasn't his first choice, Mr G accepted the repair carried out by the dealership.

Repairing the car is one of the remedies available under the CRA to the parties when an issue is discovered with the quality of the car. The CRA does not say that a car must be replaced in these circumstances. I don't have the full details of the repairs carried out but repairing a hybrid unit feels like a fair option to remedy the situation. The vehicle worked fine and was able to be driven, but clearly having expected a hybrid car and the benefits that come with it, it's fair to repair the car if that hybrid isn't working. There's been no evidence presented about any time without the vehicle or further problems caused, and no evidence of Mr G complaining about having the car returned following repairs until the following year when his catalytic convertor has been stolen and the car damaged.

Mr G has also complained that he was misled, because the car should have come with a

hybrid battery certificate when he acquired the car. The evidence he's provided shows an advert for the car which says there would be a hybrid health check, but there is no mention of a certificate. I've seen no mention in the documents from the sale discussing a certificate, and Mr G accepted the car and its documents without this certificate.

For a misrepresentation to have occurred, Mr G would need to have been told something wrong and also he'd need to have relied upon that wrong information to persuade him to buy the car. I've seen no evidence Mr G was told the car would come with this certificate, or asked if the car came with the certificate, and when he didn't receive this certificate, I've also seen no evidence of him raising that at the time. As such, I can't agree that the agreement was misrepresented to him.

Mr G has also mentioned concerns about some damage to a wing mirror, but as a cosmetic issue, he had the opportunity to examine this before acquiring the car. Toyota have said it was scheduled to be repaired free of charge at his next service, which seems more than fair. This is not an issue which made the car of unsatisfactory quality.

I appreciate it would have been frustrating to get the car and then find it had a problem with the hybrid battery unit, but when he raised his concerns, the dealership appears to have investigated, identified the problem, and repaired it. I've seen no evidence of any further problems with the hybrid unit, so I am satisfied that whilst the hybrid was faulty when supplied, the issue was repaired suitably. This meets the requirements of the CRA, so I am satisfied that Mr G was treated fairly here.

I was really sorry to hear about the catalytic convertor theft Mr G suffered in 2023, and the damage to his car. But as Toyota said in their FRL, this is an issue between Mr G and his insurance company, and not something related to the satisfactory quality of the vehicle as supplied by Toyota.

I think Mr G has expressed some concerns about how he could have prevented this theft, but I'm satisfied that this kind of theft is not something that's a particular issue with this vehicle and is unfortunately an industry wide problem which all vehicle manufacturers are trying to deal with currently. As such, I am satisfied that this theft doesn't impact on the satisfactory quality of the car.

Overall, whilst I agree that the car was supplied with a faulty hybrid unit, I am not persuaded that the fault made it of unsatisfactory quality and that it should have been rejected or replaced. I am satisfied from the evidence supplied shows it was fairly repaired at the time, and as such, I won't be asking Toyota to do anything further.

In their FRL, whilst they didn't uphold the complaint, Toyota offered Mr G a goodwill gesture of three monthly payments totalling £299.28 in recognition of the issues he had faced. Mr G told us he believes this is an indication that they had done things wrongly here or the car quality wasn't satisfactory, but I don't agree, and I am satisfied Toyota have treated him fairly. Mr G may wish to contact Toyota to see if this goodwill gesture is still available.

My final decision

I am not upholding this complaint.

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

Paul Cronin

Ombudsman