

The complaint

Mr M has complained that a car he acquired, using finance from RCI Financial Services Limited, trading as Mobilize Financial Services ('RCI'), isn't of satisfactory quality.

What happened

Mr M entered into a finance agreement with RCI in March 2022, for a used car. The car was six years old and had 47,128 miles on the clock.

However, in April 2022, Mr M contacted the dealership to report warning lights on the dashboard. This resulted in the ECU needing to be updated.

The, in May 2022, the car went into limp mode, and had to be recovered to the dealership. The gearbox had to be replaced. But in November 2022, the car broke down again, and again the gearbox had to be replaced. But this wasn't done until January 2023, due to staff shortages at the dealership.

Mr M contacted RCI in November 2022, following the second breakdown. He wanted to reject the car, as he didn't feel safe driving it. He also contacted our service. RCI didn't uphold the complaint, as it said that given the car's age and the use Mr M had of it, it didn't think the issue would have been present at the point of supply. Further, it said he had no grounds for rejection, as the car had been repaired under warranty.

Then, in March 2023, the car again broke down. The issue this time was a snapped flywheel. At this point, the mileage was 57,169.

One of our investigators looked into what had happened. He was satisfied that there was a fault with the car, given the repairs that had been carried out. He noted that the first issue with the car presented itself after Mr M had had it for a month, and had travelled around 1,000 miles. On this basis, he considered that the car was not sufficiently durable. He thought it reasonable that Mr M be allowed to reject the car – as he had requested to do before the second replacement gearbox was fitted. He should also be refunded for the period he was unable to use it.

Our investigator could also see that the matter had caused Mr M a lot of stress and worry. He thought £250 compensation was fair to reflect this.

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 agree with our investigator that this complaint should be upheld – and for the same reasons as he gave. Issues presented themselves within just of month of the car being supplied. Then, just a month later, the gearbox had to be replaced. On balance, it seems likely the problem was present, or developing, at the point of supply – and goes

beyond normal wear and tear. Further, the repair didn't solve the problem, as the gearbox had to be replaced again soon after. Mr M requested that he be allowed to reject the car, before this second repair was carried out. I agree that he should have been able to, as there had already been a previous unsuccessful attempt at repair. Although the repair was carried out, the fact remains that Mr M should fairly have been allowed to reject the car before this, as he requested.

I'm also satisfied the matter's been very stressful, particularly as he felt unsafe with his children in the car. I agree that £250 compensation is fair to address this aspect of the complaint.

Putting things right

To put things right, RCI Financial Services Limited, trading as Mobilize Financial Services, should:

- end the agreement with nothing further to pay;
- collect the car at no cost to Mr M;
- refund Mr M's deposit of £2,601;
- refund Mr M's monthly repayments, for the period 8 November 2022 to 12 January 2023, when he was unable to use it. For ease of calculation, this should be taken to be the repayments for the full months of November and December 2022;
- pay 8% simple yearly interest on all refunded amounts, from the date of each payment until the date of settlement;
- pay a further amount of £250 for the distress and inconvenience caused; and
- remove any adverse information from Mr M's credit file in relation to the agreement, and mark it as settled.

My final decision

For the reasons given above, it's my final decision to uphold this complaint. I require RCI Financial Services Limited, trading as Mobilize Financial Services, to take the actions set out above, in the section entitled 'Putting things right'.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 4 January 2024.

Elspeth Wood
Ombudsman