

## **The complaint**

Ms K complains Vauxhall Finance Limited plc (Vauxhall) supplied her with a car which she believes wasn't of satisfactory quality.

Ms K is being represented by her daughter Ms M but I will refer to Ms K throughout this decision as she's the agreement holder.

## **What happened**

In November 2022, Ms K entered into a 60 month conditional sale agreement for a used car. The car's cash price was over £8,000, it was over five years old and covered around 70,700 miles. Ms K was required to pay monthly payments of around £110.

On the day of collecting the car, it broke down. A fault was found with the clutch and repairs were carried out under warranty in December 2022. Shortly thereafter, Ms K reported similar issues with the car. Another repair was carried out in January 2023 and the master cylinder was replaced. It was also reported the brake discs were worn and the front shock absorbers were split.

Since the above repairs, Ms K has reported a number of different issues with the car including the below (but this isn't an exhaustive list):

- The electronic stability control (ESC) light is flashing on the dashboard;
- The car has stalled on multiple occasions;
- Scraping noises when braking;
- The battery needed to be replaced.

The dealership agreed to cover the cost of the repairs to the clutch and the battery.

Vauxhall said the fault with the clutch had been repaired and the brakes didn't require replacement so they wouldn't allow rejection. However they agreed to pay £250 for the trouble and upset caused.

Unhappy with their response, the complaint was referred to our service. The investigator concluded the car wasn't of satisfactory quality at supply but he was satisfied it had been successfully repaired. In relation to the brake discs and battery, he said these were wear and tear items and given the age and mileage of the car, it's to be expected it would need repairing or replacing sooner. For the other reported faults such as the ESC, he said there was insufficient evidence they were present or developing at supply.

Ms K disagreed and maintained her position. She also commented the car was advertised at around 69,500 miles but when it was collected, it had travelled over 70,700 miles.

Since the investigator's opinion, Ms K has reported further issues with the car such as it loses power when driving and she has provided photos of the issue with the ESC.

In November 2023, I issued a provisional decision which outlined my intentions to uphold the complaint, I said:

*"Ms K was supplied with a used car that was over five years old and had travelled over 70,700 miles. For used cars, it's reasonable to expect parts may already have suffered notable wear and tear and may need repair and/or maintenance sooner than a car which wasn't as road-worn when it was supplied.*

*Almost immediately following the car's collection, Ms K experienced a fault with the clutch. I've seen job cards showing repairs were carried out in December 2022 and the master cylinder also needed to be replaced. Based on this evidence, it's clear there was a fault with the clutch. Given it presented itself of the day of collection, I find it's fair to say the fault was present at the point of supply. I don't believe a reasonable person would expect to experience such issues immediately upon acquiring the car. Therefore, I don't find the car was of satisfactory quality meaning there was a breach of contract.*

*A consumer has 30 days to reject a car that's of unsatisfactory quality (short term right to reject). However in this case, I can't see Ms K asked to reject the car, instead it appears she accepted the repair. The repair to the clutch was carried out in a reasonable time frame and under warranty at no cost to her. She was also provided with a courtesy car to keep her mobile and £250 compensation for the trouble and upset caused. I consider that to be a fair course of action.*

*However around a month later (January 2023), the same fault with the clutch was reported. Again, the master cylinder was replaced. I wouldn't expect this needed to be replaced again so soon after the initial repair. To my mind, that would suggest the previous repair (around a month prior) had failed. I must stress, the CRA allows one opportunity to repair the car and should further faults occur the consumer may request rejection.*

*Thereafter, around February 2023, Ms K reported several other issues with the car such as the ESC engine light flashing on the dashboard, the car keeps stalling and a scraping noise when braking. According to her when the car was taken to a third party garage, they couldn't find the fault with the ESC but advised her to take pictures or videos when it happened. Ms K has since provided photos of the ESC warning light and the collision system being unavailable. A copy of the same has been sent to Vauxhall for their consideration. However to date, they haven't provided any comments on this.*

*Based on these photos and when the ESC fault was first reported (within six months of acquiring the car), on balance I find there is a fault with the ESC, albeit an intermittent one and one with the collision system. The photos demonstrate Ms K has only covered around 500 miles since acquiring the car. I consider this to be relatively low and it supports her claims that she's lost faith and confidence in it. Overall, I don't find the car was reasonably durable which is one of the considerations when considering satisfactory quality.*

*More recently, Ms K has also told our service she's experiencing loss of power when driving the car, saying at times despite accelerating it won't go over 15mph. However I haven't been provided with sufficient evidence about the issue.*

*Given what has happened so far including the numerous repairs attempts and the above further faults, I can see why Ms K has lost confidence in the car. She has made it clear to our service and to Vauxhall that she wants to reject it and I intend to say Vauxhall should allow her to do so. I note Vauxhall's comments that rejection is down to the dealership however I would like to remind them of their responsibilities as the supplier of the car.*

*To put things right, Vauxhall should end the agreement, collect the car and refund the deposit. I won't be asking Vauxhall to refund the monthly payments as it's fair Ms K pays for use of the car. However to reflect the impaired use of it, I intend to say Vauxhall should refund 5% of the monthly instalments paid.*

*Ms K said she has incurred costs as a result of being supplied with a faulty car, this includes the cost of replacing the battery. If this cost hasn't already been refunded to her, Vauxhall should do so. If there are any other reasonable costs Ms K would like me to consider which she believes should be refunded, I invite her to provide documentary evidence. Upon receiving the same, I will decide whether Vauxhall should compensate her.*

*Vauxhall has already agreed to pay £250 compensation but given the further trouble and upset caused as result of more faults, I find they should increase the compensation by £100, meaning a total of £350 compensation.*

*In summary, I find the car wasn't of satisfactory quality at supply due to the fault with the clutch. Although repairs were carried out, evidence has been provided to show there are further issues including a fault with the ESC and collision system which I also find made the car not of satisfactory quality. Therefore the most fair resolution is for Vauxhall to allow rejection".*

### **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.

Ms K accepted the provisional decision. Vauxhall provided no further comment. On the basis I haven't been provided with any further information to change my decision I still consider my findings to be fair and reasonable in the circumstances. Therefore, my final decision is the same for the reasons as set out in my provisional decision.

### **My final decision**

For the reasons set out above, I've decided to uphold Ms K's complaint.

To put things right, Vauxhall Finance Limited plc must:

- End the agreement with nothing further for Ms K to pay;
- Collect the car at no cost to her;
- Refund the deposit;
- Refund 5% of the monthly instalments paid to reflect the impaired use of the car;
- Refund any reasonable costs incurred by Ms K as a result of being supplied with a faulty car (subject to evidence provided) e.g. the cost of the replacement of the battery;
- Pay a total of £350 compensation for the trouble and upset paid (as outlined above).

\* Vauxhall Finance should also pay 8% simple interest per year on all the above refunds calculated from the date of payment up to the date of settlement.

\*\* If Vauxhall Finance Limited plc considers that it's required by HM Revenue & Customs to withhold income tax from that interest, it should tell Ms K how much it's taken off. It should also give Ms K a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms K to accept or reject my decision before 2 January 2024.

Simona Reese  
**Ombudsman**