

## **The complaint**

Mr G has complained that he is unhappy with the quality of a car he acquired in May 2021, using a hire-purchase agreement with Volkswagen Financial Services (UK) Limited, trading as Audi Financial Services ("VFS").

## **What happened**

Mr G acquired a used Audi in May 2021, using a hire-purchase agreement with VFS. The car was nearly four years old, with a mileage of 50,330. The cost of the car was £22,790, of which Mr G borrowed £21,089 over a term of 48 months, with a monthly repayment of £358.82. A final payment of £9,215 would be due at the end of the contract if Mr G wanted to keep the car.

Mr G said that he had had a number of problems with the car within six months of acquiring it. Some repairs were covered under warranty but others he had to pay for himself. He then told us that in November 2022 the engine rocker arms failed, causing engine damage. The Audi garage confirmed that the engine needed to be replaced, and the cost of this was estimated at £17,815. Mr G's extended warranty would only contribute £5,000 of the cost of the work, leaving him with over £12,000 to pay.

Mr G told us the part that failed was replaced in the 2019 Audi model, so was a known fault. He is also unhappy that VFS hasn't been clear about what it might do to help him in relation to getting another car. So he wants VFS to take the car back and cancel the finance agreement, and also refund the monthly payments he's made while he hasn't been able to use the car.

Mr G complained to VFS, but it said it would not be upholding his complaint. Mr G was unhappy with this, so brought his complaint to this service. Our investigator looked into Mr G's complaint, but didn't think it should be upheld. Mr G didn't agree, and asked for the complaint to be reviewed by an ombudsman.

## **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've decided not to uphold Mr G's complaint. I'll explain why.

Because VFS supplied the car under a hire-purchase agreement, it's responsible for a complaint about the quality, and there's an implied term that the car was of satisfactory quality. Cars are of satisfactory quality if they are of a standard that a reasonable person would expect, taking into account all of the relevant circumstances such as (amongst other things) the age and mileage of the car and the price paid. When considering satisfactory quality, I also need to look at whether the car is durable – that is, the components within the car must be durable and last a reasonable amount of time.

In this case of course, the car was nearly four years old, with a mileage of 50,330 when Mr G acquired it. And the price was lower than that of a new car. So it's reasonable to expect that parts of the car would have suffered a degree of wear and tear, and that a car of this age would likely need repair and maintenance sooner than a newer car.

I've taken account of the relevant law, in particular the Consumer Rights Act 2015, ("CRA"). There are certain times, set out in the CRA, when a consumer is entitled to reject goods, in this case the car, if they don't conform to contract – a short term right to reject within 30 days of taking delivery, or a final right to reject if a repair or replacement hasn't resulted in the car subsequently conforming – that is, it then being of satisfactory quality.

VFS sent in a copy of the car's history, along with copies of the sales documentation for the car. I've looked at the vehicle history, and I can see details of the earlier repairs that Mr G mentioned, in relation to the steering rack, air conditioning, suspension and brakes. Mr G hasn't mentioned any ongoing problems with these repairs, so it looks as though they were satisfactorily completed. I can't see anything in the earlier repairs that relates to the later engine failure.

The vehicle history also includes details of what happened in November 2022. In summary, it refers to the roller rocker having failed, and excessive swarf in the engine, leading to the engine needing to be replaced. At this point, Mr G had had the car for about 18 months and had driven about 12,000 miles.

The key issue here is whether the fault was present or developing when Mr G acquired the car, or whether it was the result of reasonable wear and tear. Car components do have a lifespan and will need repair or replacement after a certain period of time or level of mileage, so the failure of a component doesn't necessarily mean that the car wasn't of satisfactory quality at the point of supply. In this case, I've not seen anything in the vehicle history or other evidence to suggest that the failure of the roller rocker was due to anything other than reasonable wear and tear.

I've thought about what Mr G said about this being a known fault – and I've looked at the online video he pointed out to us. But this is quite a general video and not specific to Mr G's car – and it is not from the manufacturer. I also can't say whether the part referenced was the same as that in Mr G's car. I've also checked to see if there are any recall notices for Mr G's make and model of car, and there are none relating to the roller rocker. So this doesn't change my view that the fault was due to wear and tear.

I appreciate that all this has been very distressing for Mr G, but in summary, based on all the evidence and information provided, I'm not persuaded that the car wasn't of satisfactory quality at the point of supply. So I don't think VFS has done anything wrong, and therefore I am not upholding this complaint.

Because I am not upholding the complaint, I can't direct VFS to take any action. However, I do think it would be helpful for VFS to clarify to Mr G what it may be willing to do to assist him with regard to another vehicle – there is a reference to a goodwill gesture of £500 but the final response letter to Mr G isn't entirely clear.

### **My final decision**

For the reasons given above, I have decided not to uphold Mr G's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 12 December 2023.

Jan Ferrari  
**Ombudsman**