

The complaint

Miss W complains that the car she acquired through a hire purchase agreement with Oodle Financial Services Limited trading as Oodle Car Finance wasn't of satisfactory quality. She wants to reject the car.

What happened

Miss W entered into a hire purchase agreement with Oodle Car Finance in April 2019 to acquire a used car. The car was around five years old and had a mileage of over 50,000.

Miss W says she entered the agreement on 9 April 2019 and went to collect the car as agreed on 11 April. However, there were several issues and so it was agreed repairs would take place. The car was delivered late on 19 April and Miss W says when she drove it the next day it was clear the repairs hadn't taken place. She says the car didn't have the power she was told, an engine management light was on, there were several dents and the car smelt. She also says she wasn't provided with the paperwork. Miss W contacted the dealer about the issues on 20 April and asked to return the car. She says that after a couple of days the dealer asked her to bring the car in, but the sales adviser then told her to keep the car for three months.

Miss W contacted Oodle Car Finance on 3 May 2019 to reject the car. She was asked for further information that she says she sent. Miss W says there were delays in getting a response and she was then sent a copy of a MOT certificate from April 2019 and a valet receipt. Miss W disputed these as the MOT wasn't showing on the government website and she didn't believe the car had been valeted. The car was inspected on 2 August, but Miss W says the inspector didn't have the full information about when the issues had arisen and that after she provided this, the inspector said the issues would have been present from the point of supply.

Miss W says that due to the April 2019 MOT not being recorded she had to have another MOT carried out in September 2019 and pay for repairs (costing her £357.49) in order for the car to pass the MOT.

Oodle Car Finance says that an independent inspection took place on 2 August which concluded that the faults had most likely developed during Miss W's ownership rather than being inherent at the point of sale. It issued a final response letter dated 4 December 2019 saying that there wasn't evidence the faults were present from the point of supply and so it didn't uphold Miss W's complaint.

Miss W referred her complaint to this service. Our investigator thought that the power issue with the car was more likely than not present at the point of supply. Given the time that had passed and the deterioration in the relationship between Miss W and the dealer, he thought the fairest resolution was for repairs to be carried out to remedy the power issue and these take place at a mutually acceptable garage.

Oodle Car Finance accepted our investigator's view. Miss W didn't. Miss W reiterated that she raised her concerns with the dealer within 24 hours of taking delivery of the car and

contacted Oodle Car Finance within the first two weeks due to the dealer not communicating with her. She said the fault had been confirmed and so she should now be allowed to reject the car and have her payments refunded. Miss W further explained that the dealer had since paid around £400 for cosmetic work and offered to repair the car or sell it to cover Miss W's finance.

My provisional conclusions

I issued a provisional decision on this complaint. I concluded in summary:

- Miss W identified issues with the car which were agreed to be addressed before collection. The day after Miss W collected the car she realised the issues previously raised hadn't been addressed and there were several issues with the car.
- Miss W raised her concerns with the dealer and then with Oodle Car Finance and said she wished to terminate her agreement. This was within 30 days of Miss W collecting the car. Under the Consumer Rights Act 2015 (CRA 2015), a consumer has a short term right to reject if a fault is identified within the first 30 days and the consumer asks to reject the car within this time.
- I was satisfied that the issues Miss W raised shortly after acquisition with the dealer and Oodle Car Finance were confirmed as faults by the independent inspection report and so I accepted that the car Miss W was provided with had faults that were present from the point of supply and wasn't of satisfactory quality.
- There was an issue with the MOT as although the dealer provided a copy this didn't have the car's registration number and the MOT wasn't recorded on the government website. I thought this, along with repairs that were agreed before collection not happening, suggested the car was misrepresented to Miss W.
- Overall, given Miss W identified issues (that were later confirmed as faults) within the first 30 days and she asked to reject the car at that time, and there were concerns about how the car was sold to Miss W, I found the fairest resolution to this complaint was for Miss W to be allowed to reject the car, have her deposit refunded (along with interest) and any adverse information regarding the agreement removed from her credit file.
- Miss W had to have a MOT undertaken in September 2019. At this time, she needed to have some work carried out. I thought the repairs mainly related to serviceable items and given the age and mileage of the car it was reasonable to accept these as wear and tear.
- I understood the registration plates needed to be replaced as they weren't legal. As this is how the registration plates were supplied I didn't think this was a cost that Miss W should be liable for and so I said this cost should be refunded.
- Miss W didn't maintain her payments due under the agreement. The issues she experienced meant she didn't have full use of the car and she explained that the car was SORN for three months before she started to use it again. I found it reasonable that Miss W wasn't held liable for the payments that fell due while the car was SORN, but I found she should be required to pay for periods when she had use of the car.

- Miss W's use of the car was impaired, and I found it fair that for any months Miss W was liable for the payments these should be reduced by 30% to reflect her loss of enjoyment of the car.
- The issues caused Miss W distress and inconvenience and I thought Oodle Car Finance should pay Miss W a further £150 for the inconvenience she was caused by not being allowed to reject the car much sooner.

No new information as 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 no new information was provided in response to my provisional decision, my conclusion hasn't changed, and I uphold this complaint.

Miss W acquired a used car through a hire purchase agreement with Oodle Car Finance. Under the regulations, specifically the CRA 2015, Oodle Car Finance can be held liable if the car wasn't of satisfactory quality at the point of supply. Satisfactory quality takes into account factors such as the age and mileage of the car and what a reasonable person would expect taking into account all the circumstances.

As I set out in my provisional decision, I do not think that the car Miss W acquired was of satisfactory quality. Miss W made her desire to reject the car known within the first 30 days and I think this should have been accepted. I also think that the issue with the MOT and the agreed repairs not taking place suggested the car was mis-sold. Overall I think the fair resolution to this complaint is for Miss W to be allowed to reject the car and have her deposit refunded.

As I have already explained, I think Miss W should be liable for the payments that fell due while she had use of the car but not while it was SORN. However, I think the payments she remains liable for should be reduced by 30% to reflect the loss of enjoyment she experienced. I also think that compensation of £150 is reasonable for the trouble and upset Miss W has been caused.

Putting things right

My final decision is that I uphold this complaint against Oodle Financial Services Limited trading as Oodle Car Finance. The following actions should be taken to resolve this complaint:

1. Miss W 's agreement should be cancelled with nothing further owing and the car collected at no cost to Miss W;
2. Miss W should not be held liable for the repayments while the car was SORN (evidence to be provided) and should have any payments made during this period refunded along with her associated costs for this time, such as insurance, (subject to evidence of costs);
3. Miss W should remain liable for the payments due for the time she was using the car, but these payments should be subject to a refund of 30% (or the liability reduced by 30% if payment wasn't made) to reflect the loss of enjoyment the issues have caused her;
4. Miss W's deposit should be refunded;

5. Miss W should be refunded the cost of the number plates being replaced and 50% of the cost of the September 2019 MOT to reflect this was needed six months after acquisition even though she was told a MOT had taken place in April 2019; and
6. any adverse information relating the agreement should be removed from Miss W's credit file.

Items 2, 3, 4 and 5 are subject to 8% simple interest (to the extent they are refunds) from the date of payment to the date of settlement*.

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

My final decision

My final decision is that I uphold this complaint. Oodle Financial Services Limited trading as Oodle Car Finance should take the actions set out above in resolution of this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss W to accept or reject my decision before 13 August 2021.

Jane Archer
Ombudsman