

The complaint

Mr O complains that Oodle Financial Services Limited has mishandled his complaint that the car he'd acquired via a hire purchase agreement wasn't of satisfactory quality. He now wishes to reject the car and cancel the agreement.

What happened

In November 2019 Mr O entered into a five-year hire purchase agreement with Oodle for a used car. The car was around six years old and had a mileage of 94,000. The car came with a three month or 3000-mile warranty.

Mr O says that the car developed a problem with a diesel leak shortly after he acquired it which was repaired by the dealership under the warranty. In January 2020 the car broke down and Mr O says he was told by the dealership that as he'd now driven more than 3,000 miles the warranty wouldn't cover any further repairs.

Mr O arranged for a mechanic to inspect the car who ran a diagnostic. Mr O says he was advised that fuel injectors 2 and 4 had reached their maximum level. Mr O complained to Oodle at the end of January 2020 about the quality of the car. He told Oodle that the injectors would cost around £500 each to replace. He said his preferred option was for the car to be repaired.

In February 2020 Mr O raised whether he could reject the car due to its faults. He also sent a video to Oodle demonstrating that the car wouldn't start. Oodle contacted the broker who had arranged the credit agreement and asked them to speak with the supplying dealer as to whether further evidence would be required that the fault with the injectors had been present at the point of sale.

Mr O called Oodle and said he'd been told by a mechanic that he should change all four injectors and that the cost of this repair would be £1,100 plus £300 for a service. He also said he had spoken to the supplying dealer who had refused to undertake the repair. Mr O again asked about rejecting the car. Oodle said that there would need to be evidence the fault had been present at the point of supply and that the retailer also had a right of repair before the car could be rejected. Oodle suggested that the car should be independently inspected. Mr O said he would be happy for that to take place.

Oodle requested that Mr O provide some documentation that would confirm the remedial action required to fix the car. Mr O responded by email that he had been quoted £1,152 to repair all four injectors and that he had also been told the car would require a service taking the total cost to £1,400.

The supplying dealer then said it was prepared to carry out the necessary repairs but that it wouldn't cover the cost of transporting the car from Mr O's house to the garage due to the distance and subsequent cost involved. The dealer also advised that the cost of repairs would be significantly lower than that given by Mr O.

Mr O declined to cover the cost of transporting the car back to the supplying dealer but

before this issue could then be resolved the dealership closed due to covid. Mr O informed Oodle that the mechanic he used was still operating. Mr O expressed reservations about the supplying dealer fixing the car due to the cost it had quoted.

Oodle asked if Mr O was able to obtain a second quote for repairing the car. Mr O responded that the first quote was reasonable and that a second quote he'd obtained was for £1,548. He said that Oodle had now had more than enough time to arrange the repairs and he wanted to reject the car.

Around 10 days later Oodle told Mr O that it would agree to directly pay him the sum of £1,150 for him to arrange for the repairs to be carried out. Mr O declined this offer and said he wanted the car collected and the agreement cancelled.

Oodle then sent Mr O its final response letter setting out that his complaint would not be upheld as an offer to pay for the repairs had been made. Oodle said that it had not received any reports as to the condition of the car, but it had made this gesture of goodwill in light of the difficulties caused by covid. Mr O disagreed he hadn't provided a diagnostic report and said it was clear the injectors would have been faulty at the point of supply. He said he had rejected the car.

There followed further contact between Mr O and Oodle. Oodle provided other options for Mr O to end his agreement but which didn't include Mr O being able to reject the car.

In September 2020 Mr O complained again to Oodle about the quality of the car and said it now had further issues that needed repair due to the length of time it had stood without being used. Oodle responded that it had closed his complaint due to his refusal to accept its offer of £1,125 to carry out the repairs. Mr O informed Oodle that the cost of the repairs was now £3,450. Mr O also complained the car hadn't been independently inspected as originally agreed.

Oodle didn't uphold Mr O's complaint. It said that it hadn't been sent any diagnostic report as to the faults with the car. It said it had offered to cover the cost of the repairs as indicated by Mr O, but he had refused this. Oodle said that the car wouldn't need additional repairs if Mr O had accepted its offer but the original offer of £1,125 was still open to Mr O.

Mr O complained to this service. He said the car now needed new tyres, new brakes, a new battery, a service, and the fuel injectors replacing. He said the bill for repairs was around £3,450. Mr O said he hadn't had reports prepared because he'd been told the car would be independently inspected. He said he had rejected the car because Oodle had had a reasonable time to repair it but hadn't done so.

Our investigator didn't recommend Mr O's complaint should be upheld. She said that she thought there was a fault with the car but wasn't able to comment on whether it had been present at the point of supply. However, when a fault arose within six months of a car being acquired then it was usual to say that it was more likely than not that it had been present from the point of supply and that the business had one chance to repair. Only if the repair was unsuccessful would Mr O be expected to be allowed to reject the car. Our investigator said she hadn't seen any evidence Oodle had been given an opportunity to repair the car. She said she thought its offer to cover the initial costs of the repairs had been fair. And that Oodle should be given the chance to now inspect the car and fix any faults they would be responsible for as the supplier of the car.

Mr O disagreed with the view of our investigator. He said the £1,125 offered wouldn't have covered the cost of the repairs. Mr O also said it had been unfair to ask him to

cover the costs of obtaining reports on the car as the fuel injectors had clearly been faulty from the point of supply. He said these parts should last much longer than 94,000 miles.

Mr O said that Oodle had been the one to offer arranging for the car to be inspected and he had been unable to do so because the car was undrivable. He said he hadn't been able to use the car since January 2020.

As the parties were unable to agree the complaint was passed to me. I issued a provisional decision along the following lines.

When looking at this complaint I needed to have regard to the relevant law and regulations, but I am not bound by them when I consider what's fair and reasonable.

As the hire purchase agreement entered into by Mr O is a regulated consumer credit agreement this service is able to consider complaints relating to it. Oodle is also the supplier of the goods under this type of agreement, and responsible for a complaint about their quality.

Under the Consumer Rights Act 2015 there is an implied term that when goods are supplied the quality of the goods is satisfactory. The relevant law says that the quality of the goods is satisfactory if they meet the standard that a reasonable person would consider satisfactory taking into account any description of the goods, price, and all other relevant circumstances.

The relevant law also says that the quality of the goods includes their general state and condition, and other things like their fitness for purpose, appearance and finish, freedom from minor defects, safety, and durability can be aspects of the quality of the goods.

Here, the car wasn't new being around six-years old and with a mileage of 94,000. I thought that, taking into account these things, a reasonable person would have expected there to be issues with maintenance and repair since components of the car would have been subject to wear and tear through use. So, unlike a new car, there wouldn't have been an expectation that the car was fault free.

Mr O said he'd supplied sufficient evidence as to the fault with the car as he provided a photo of the diagnostic equipment showing the fault. I haven't seen this photo, but I have seen that Oodle appears to have received a video from Mr O regarding the car's condition when he'd first complained. I also hadn't seen any evidence that Mr O provided written invoices as to the repairs that the car required. The figures he'd given as to the cost of the repairs were either in emails or on the phone.

Mr O was disappointed that the car wasn't inspected by an independent engineer as had been agreed and said it was unfair that getting reports were left to him. Looking at the case notes kept by Oodle I'd seen that an independent engineer was about to be arranged when there was a covid lockdown in March 2020. I thought it was understandable why, in these circumstances, an inspection hadn't then proceeded though I couldn't see this had been explained to Mr O. However, I'd also seen that once the lockdown occurred Oodle had actively looked for a solution to resolving Mr O's complaint.

Although Oodle had concerns that there wasn't sufficient evidence as to the car's faults, I thought I could reasonably say it appeared to have accepted that there had been issues with the fuel injectors and that these had arisen within the first three months of

Mr O having acquired the car. Mr O said these parts weren't as durable as would be expected.

As I hadn't seen any evidence as to why these injectors had failed, I couldn't comment on whether this was an issue of wear and tear or a fault. However, looking at the amount of time that had passed since the inception of the agreement and the number of miles driven I thought on the face of it that it was more likely than not there was a fault with the car at the point of supply to Mr O. I also thought that Oodle was open to considering that the fault was one it may have responsibility for repairing.

Mr O originally informed Oodle that the cost of repairing the two injectors would be between £250 and £300 per injector plus the cost of fitting. He later said he'd had a quote of £500 though it was unclear if that was per injector. Further into his negotiations with Oodle, Mr O said that he had been quoted costs of £1,100 which would cover all four injectors and that the mechanic had also recommended that a service be carried out at an additional cost of £300. Mr O then set out in fuller detail how this amount had been reached and the total cost including VAT amounted to £1,152 (not including the cost of the service).

Oodle liaised with the supplying dealer who said they could repair the car for £250 and agreed to carry out the repairs. This agreement though broke down due to the dealership declining to pay for the car to be transported to them. I accepted that it would be unfair for Mr O to have covered this cost in the circumstances and so with that, and covid closing the dealership, I thought Oodle had acted fairly in seeking another resolution to Mr O's complaint. It asked Mr O to get another quote. However, this additional quote was higher at £1,548, although again I hadn't seen that this quote was put in writing by the mechanic.

Oodle agreed to pay £1,125 to Mr O as he had assured it that this was a reasonable quote. However, I'd seen that Mr O then rejected this offer, he said that it had taken too long to arrange the repairs but later said this offer wasn't enough to cover the costs. He said that if he'd taken the offer, he would have had to pay an additional £850 to get the car repaired. Looking at the contents of the emails sent by Mr O to Oodle I was unsure why he said this amount wouldn't have been enough though I accepted the cost of the service hadn't been included.

In regard to the cost of the service, I didn't think it was reasonable for Oodle to have covered this cost. Under the terms of the agreement, services and other maintenance costs would be Mr O's responsibility. In the absence of any evidence as to why a service would be an essential part of the repairs, I wouldn't have expected Oodle to have added this amount into the cost of the repairs for the injectors. So, I thought the offer of £1,125 had been reasonable to cover the costs as quoted by Mr O.

Mr O had also raised that the repairs had taken too long to arrange. Under the Consumer Rights Act 2015 where a car is supplied that's faulty then the retailer has an opportunity to repair. It also says the repair should be carried out in a reasonable time though this isn't defined.

Looking at the chronology here, I thought Oodle had made the offer to cover the costs of the repairs in a reasonable period of time. Mr O had raised the issues he had with the car at the end of January, there followed discussions between Mr O about what was wrong with the car, seeking evidence of the fault, having the car inspected and liaising with the dealership. The offer to pay £1,125 was made in March 2020. I didn't think it was reasonable for Mr O to have rejected the offer to cover the cost of the repairs based on how long it had taken for Oodle to make.

Mr O had raised that the car now needed further repairs based on how long it had been

standing without being used. But I didn't think I could reasonably hold Oodle responsible for issues that have now arisen with the tyres, brakes, battery etc. Had Mr O had the car repaired back in March 2020 then I thought it was unlikely these other repairs would have been required.

So, looking at the evidence I thought Oodle's offer to pay Mr O £1,125 was fair and reasonable in the circumstances. I didn't agree that it would be reasonable for Mr O to now reject the car on the basis that this amount wouldn't cover all the repairs that were currently needed.

However, I noted that Mr O had been unable to use the car from January 2020 so I thought in addition to paying the repair costs it would be fair for Oodle to also reimburse Mr O his monthly payments under the agreement from January 2020 to April 2020. This reflected the period Mr O would have been unable to drive the car from the point it broke down to the point it would have been repaired had he accepted Oodle's offer (which I understood was still available).

For the reasons given above I intended to partially uphold Mr O's complaint in that I asked Oodle to also reimburse his monthly payments from January 2020 to April 2020. This amounted to £859.16 being four months at £214.79pm.

Oodle says it has nothing further to add in respect of my provisional decision. Mr O has provided the photo of the results of the diagnostic showing injectors 2 and 4 were faulty as well as the video showing the car wouldn't start. He also says he is still waiting for an explanation from Oodle as to why the car wasn't independently inspected.

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 have reviewed the conclusions I made in my provisional decision together with my reasons for reaching them and, although this will be of disappointment to Mr O, I haven't changed my view. While I've now seen the photo of the diagnostics and the video that Mr O had sent to Oodle this didn't alter what I had found about the condition of the car. That is because I had already found on the evidence that it was more likely than not that the fault with the injectors had been present with the car at the point of its supply to Mr O.

I appreciate Mr O was disappointed that the car wasn't independently inspected as had been agreed but this was due to the situation with covid. The lack of the inspection had meant that Oodle had looked at how it could resolve his complaint which I think was fair in the circumstances.

Mr O hasn't provided any further evidence about the quotes he'd received to repair the car. And so, for the reasons set out above, I think Oodle's offer made in March 2020 to pay him £1,125 to cover the repairs to the injectors was fair and reasonable in the circumstances. This offer represented Oodle's opportunity to repair the car and was made in a reasonable period of time. So, I don't think it would be fair for Mr O to reject the car.

I also still don't think Oodle is responsible to cover the costs of the additional repairs caused by the delay in Mr O having the car repaired.

However, Mr O was unable to use the car from January 2020, but had he taken Oodle's offer and had the car repaired then I think it's fair to assume the car would have been driveable from April 2020. I think it's fair Mr O is reimbursed the four monthly payments made under

the agreement from January to April 2020 amounting to £859.16 to reflect the period he wasn't able to use the car.

For the reasons given above I'm partially upholding Mr O's complaint.

Putting things right

I'm asking Oodle to do the following:

- Pay Mr O £1,125 to cover the costs of the repairs to the fuel injectors.
- Reimburse Mr O four months' worth of payments under the agreement to reflect the period (January to April 2020) he would have been unable to use the car had he accepted Oodle's offer. This amounts to £859.16 and should be paid together with interest at the yearly rate of 8% simple from the date of payment until the date of settlement.

My final decision

For the reasons given, I'm partially upholding Mr O's complaint. I'm asking Oodle Financial Services Limited to do the following:

- Pay Mr O £1,125 to cover the costs of the repairs to the fuel injectors.
- Reimburse Mr O four months' worth of payments under the agreement to reflect the period (January to April 2020) he would have been unable to use the car had he accepted Oodle's offer. This amounts to £859.16 and should be paid together with interest at the yearly rate of 8% simple from the date of payment until the date of settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 24 March 2022.

Jocelyn Griffith
Ombudsman