

## The complaint

Mr E complains about the quality of a car he has been financing through an agreement with Oodle Financial Services Limited ("Oodle").

## What happened

I issued my first provisional decision on this complaint January 2022 and a further provisional decision in February. Extracts from those provisional decisions are set out below.

### ***What I've provisionally 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 know it will disappoint Oodle, but I don't currently agree with the investigator's view of this complaint and I'm expecting to uphold it. Please let me explain why.*

*Where the information I've got is incomplete, unclear, or contradictory, as some of it is here I have to base my decision on the balance of probabilities.*

*I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.*

*Mr E acquired his car under a hire purchase agreement. This is a regulated consumer credit agreement and as a result our service is able to look into complaints about it.*

*The relevant law says, amongst other things, that the car should have been of satisfactory quality when supplied. If it wasn't then Oodle, who are also the supplier of the car, are responsible. The relevant law also says the quality of goods is satisfactory if they meet the standard that a reasonable person would consider satisfactory taking into account any description of the goods, the price and all the other relevant circumstances.*

*In a case like this which involves a car the other relevant circumstances would include things like the age and mileage at the time the car was supplied to Mr E. The car here was about eight years old and had already completed about 69,000 miles when Mr E took receipt of it so I think a reasonable person would expect quite a bit of wear and tear to be present. The relevant legislation explains that if the fault occurs within the first six months, as is the case here, we are to assume it was present at the point of supply, when Oodle were responsible for its quality, unless Oodle can demonstrate otherwise.*

*Oodle commissioned an independent inspection to consider whether the fault was present or developing when the car was supplied to Mr E. The inspector didn't think the fault was developing when the car was supplied. He said there would have been noticeable knocking and the MOT inspector, who completed the MOT shortly before the car was supplied to Mr E, has confirmed there wasn't any knocking as, if there was, he would have listed it as an*

advisory on the MOT.

*The inspector suggested that there was therefore “no evidence noted or present at the time of the inspection to confirm current symptoms of engine were present or in the development stage at the point of sale (supply)...”.*

*The inspector is an expert in these matters, and I accept his reasoning. But the relevant legislation says that when we consider whether a car has been of satisfactory quality we should also consider whether it has proven durable.*

*The engine failed catastrophically on this car after a little under 73,000 miles. I don't think a reasonable person would consider a diesel car to have been suitably durable in those circumstances. I think a reasonable person would expect a modern engine to last much longer than that.*

*I've not seen evidence that this car was mistreated by Mr E, for instance by running it low on oil or not servicing it properly. So, I don't think there's evidence he contributed to the premature engine failure.*

*I think he had limited opportunity to mistreat the car as he'd only been in possession of it for about five and a half months and had only driven it about 3,500 miles before the engine seized.*

*It seems very unfair in those circumstances to expect him to pay over £13,000 to replace the engine on the vehicle.*

*So, I don't think Oodle have been reasonable here as I think despite the inspector's report, that the car hadn't been exhibiting signs of wear at the point of supply, it is clear that the engine hasn't proven durable and the car has therefore been of unsatisfactory quality.*

### **Putting things right**

*The relevant legislation allows a business one opportunity to repair the vehicle and I think it would therefore be fair to ask Oodle to do so.*

*Mr E first reported the fault on 9 March 2020. He's not been able to drive the car since and Oodle's system notes suggest he was never provided with a courtesy car to keep him mobile. If Mr E has paid any of the finance instalments due from 9 March 2020 they should be refunded to him with interest as he's had no use of the car and has been deprived of that money. Any payments that would have been due from 9 March 2020 and that haven't been paid, should be waived by Oodle.*

*Oodle's system notes show that they have been aware that storage costs were being charged by the dealership who have been holding the car. It's not fair for Mr E to pay those charges and Oodle should therefore pay any storage charges that become due if Mr E provides them with the bill.*

*Mr E has been inconvenienced by these issues. He's had to wait close to two years for a resolution to his complaint and hasn't been kept mobile. I can see that he explained to Oodle that he was struggling without a car because his wife was pregnant, and he had children that he needed to transport. It must have been very worrying to think he may have needed to fund a very expensive bill to repair the car after he'd been able to use it for such a limited period. In the circumstances I think the business should pay Mr E £500 compensation for the distress and inconvenience caused.*

*Oodle should also remove any adverse reports they have made towards Mr E's credit file in relation to these issues and since Mr E reported problems with the car on 9 March 2020.*

### ***My provisional decision***

*For the reasons I've given above I'm expecting to uphold this complaint and to tell Oodle Financial Services Limited to:*

- *Repair the car at no cost to Mr E.*
- *Refund any finance instalments paid by Mr E since 9 March 2020 adding 8% simple interest from the date of payment to the date the car is repaired and returned to Mr E. Any payments due from 9 March 2020 to the date of repair that haven't been paid should be waived.*
- *Pay any storage costs if Mr E provides the bill.*
- *Pay Mr E £500 to compensate him for the distress and inconvenience caused.*
- *Remove any adverse reports they may have made to Mr E's credit file since the car broke down.*

### ***What I've provisionally 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.*

*Mr E didn't provide any additional information but Oodle did. They said it wouldn't be economical to repair the car and they asked to reject it instead.*

*I'd agree that it would appear uneconomical to repair the car and I therefore think it's fair to allow Mr E to reject it. I've thought about what the redress should be in those circumstances. Oodle should collect the car at no cost to Mr E and they should end the finance agreement.*

*They'll need to refund any deposit Mr E has paid and add interest to that deposit as Mr E will have been deprived of that money.*

*They should refund or waive any finance instalments paid, or due, since 9 March 2020, adding interest to that refund.*

*Oodle will still need to refund any storage costs Mr E incurs and pay him £500, as detailed above, in respect of the distress and inconvenience caused.*

### ***My provisional decision***

*For the reasons I've given above I'm expecting to uphold this complaint and tell Oodle Financial Services Limited to:*

- *Collect the car at no cost to Mr E and end the finance agreement.*
- *Refund any deposit that was paid and add 8% simple interest per year to that refund from the date of payment to the date of settlement.*
- *Refund any finance instalments paid by Mr E since 9 March 2020 adding 8% simple interest from the date of payment to the date of settlement. Any payments due from 9 March 2020 that haven't been paid should be waived.*
- *Pay any storage costs if Mr E provides the bill.*
- *Pay Mr E £500 to compensate him for the distress and inconvenience caused.*
- *Remove any adverse reports they may have made to Mr E's credit file since the car*

*broke down.*

### **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.

Oodle did not provide any further information but Mr E did. He said as it'd been so long he no longer wanted the car and wanted to reject it. He said he had no faith that a repair would be successful.

As that was what I'd suggested in my most recent provisional decision I haven't found any reason to change that provisional decision. Oodle will be taking the car back and not repairing it.

### **Putting things right**

My most recent provisional decision therefore becomes my final decision on this complaint.

### **My final decision**

For the reasons I've given above I uphold this complaint and tell Oodle Financial Services Limited to:

- Collect the car at no cost to Mr E and end the finance agreement.
- Refund any deposit that was paid and add 8% simple interest per year to that refund from the date of payment to the date of settlement.
- Refund any finance instalments paid by Mr E since 9 March 2020 adding 8% simple interest from the date of payment to the date of settlement. Any payments due from 9 March 2020 that haven't been paid should be waived.
- Pay any storage costs if Mr E provides the bill.
- Pay Mr E £500 to compensate him for the distress and inconvenience caused.
- Remove any adverse reports they may have made to Mr E's credit file since the car broke down.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 9 May 2022.

Phillip McMahon  
**Ombudsman**