

The complaint

Miss G complains that a car acquired with finance from Startline Motor Finance Limited wasn't of satisfactory quality.

What happened

In August 2020 Miss G was supplied with a car and entered into a finance agreement with SMF. At the point of supply the car was around 6 years old and had covered 51,000 miles.

In October 2021 the car broke down. Miss G raised a complaint with SMF.

SMF arranged for an independent inspection of the car, which took place in December 2021. The engineer stated that the fault had been caused by a reduction in oil supply due to a blockage of the oil filter following a break up of the timing belt. The engineer also stated that it was unlikely that the fault was present at the point of supply because the symptoms would have been identifiable much sooner given the mileage covered by Miss G.

SMF issued a final response and said it wasn't responsible. Miss G brought her complaint to this service.

Our investigator upheld the complaint. He said the engineers report and the technical service bulletin provided by Miss G indicated that the fault was a known manufacturing fault. The investigator said that SMF should arrange for repairs at no cost to Miss G.

SMF didn't respond to the investigators view so I've been asked to make a final 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.

The Consumer Rights Act 2015 is relevant to this complaint. This says that goods must be of satisfactory quality when supplied. Cars are of satisfactory quality if they are of a standard that a reasonable person would regard as acceptable taking into account the age and mileage of the car and the price paid. The quality of goods includes their general state and condition, as well as fitness for purpose, appearance and finish, freedom from minor defects, safety and durability.

I would expect a second hand car to have a degree of wear and tear and to require repairs and maintenance more often than a brand new car. So, in order to uphold the complaint, I would need to be satisfied that the car had an inherent defect, rather than a fault caused by general wear and tear.

There's no dispute that there's a fault with the car. The independent inspection confirms that there's a serious fault with the engine.

The issue for me to determine here is whether the fault makes the car of unsatisfactory quality. I've considered all of the available information provided by Miss G as well as the

engineering evidence.

The independent inspection found that the car wasn't fit for purpose due to the adverse engine noise. The engineer stated that the noise was likely associated with clearances between the big end bearing shells and the crankshaft, and that this can be caused by a reduction in oil supply due to a blockage of the oil filter following a break up of the timing belt. The engineer further stated that without removing the sump to allow for closer examination of the oil filter, it couldn't be confirmed whether the technical services bulletin was relevant. The engineer said that if the fault had been present at the point of supply, the symptoms would've been apparent much sooner, given the 8000 miles covered by Miss G, and concluded that the engine noise developed after the point of supply.

I've also considered the technical services bulletin provided by Miss G. This suggests that the origin of the known fault is the destruction of the timing belt. The independent inspection report identified that the timing belt had broken up and referenced the technical services bulletin.

A timing belt can reasonably be expected to last around 100,000 miles, so on any analysis, the timing belt has failed prematurely here, as Miss G's car had only covered 60,000 miles when the car broke down. This calls into question the durability of the car, which is an aspect of satisfactory quality. I don't think that a reasonable person would expect a timing belt to fail at 60,000 miles. On balance, I'm persuaded that the car wasn't sufficiently durable.

Further, I'm persuaded that the technical services bulletin and the engineering evidence (including the independent inspection report) indicate that there is a known manufacturing fault with the car. The technical services bulletin states that the fault appears after the car has covered 20,000 km and manifests itself in the break up of the timing belt prematurely. This is consistent with what has happened to Miss G's car.

Taking all of the available evidence into account, I'm persuaded that there was an inherent fault with the car which led to the premature failure of the timing belt. This means that the car wasn't of satisfactory quality when supplied.

Putting things right

Miss G has said that she wants to end the agreement. Under the relevant legislation, the business is allowed one opportunity to repair the car. If the repair isn't successful, the consumer can reject the car. In the circumstances, I don't think it would be fair to require SMF to allow a rejection and end the agreement. Instead, SMF should arrange for the car to be repaired at no cost to Miss G.

I'm aware that Miss G hasn't been able to use the car since October 2021. I don't think it's reasonable to expect Miss G to pay for a car she's been unable to use. I think it's fair to ask SMF to refund all payments made by Miss G since the car broke down.

It's clear that all of this has had an impact on Miss G. Being without a car has meant that she had to arrange alternative transport to get to her hospital appointments, which is of particular impact on her as she was pregnant at the time. I think it's fair to ask SMF to pay compensation for the distress and inconvenience caused to Miss G.

My final decision

My final decision is that I uphold the complaint. Startline Motor Finance Limited must:

Arrange for the car to be repaired at no cost to Miss G

Pay £100 compensation for distress and inconvenience

Refund all payments made by Miss G since October 2021 to the date when repairs are completed

Pay 8% simple interest on all amounts refunded from the date of payment to the date of settlement

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss G to accept or reject my decision before 29 July 2022.

Emma Davy
Ombudsman