

## The complaint

Mrs C complains that a car that was supplied to her under a hire purchase agreement with Blue Motor Finance wasn't of satisfactory quality.

## What happened

I issued a provisional decision on this complaint in May 2022 in which I described what had happened as follows:

*"A used car was supplied to Mrs C under a hire purchase agreement with Blue Motor Finance that she electronically signed in March 2020. She says that some faults with the injectors were diagnosed in April 2021 and she complained to Blue Motor Finance about those faults in June 2021. It arranged for the car to be inspected by an independent expert and then said that the issues were an injector seal and the diesel particulate filter which were in-service maintenance issues. Mrs C had the car inspected by a another garage and complained to this service.*

*Our investigator didn't recommend that her complaint should be upheld. She didn't think that Blue Motor Finance had supplied Mrs C with a car that was of unsatisfactory quality and she didn't think that it would be fair or reasonable to ask Blue Motor Finance to take the car back and terminate her agreement.*

*Mrs C has asked for her complaint to be considered by an ombudsman. She has provided detailed comments on our investigator's recommendations and says, in summary, and amongst other things, that the injectors are leaking but she can't have the seals replaced due to damage which was found there from before the car was supplied to her. She says that the second and third injectors are seized in the cylinder head and the fourth injector is damaged as the hold down bolt has no thread and is bent in the cylinder head bolt. She also says that the inlet manifold was damaged when the car was supplied to her. She says that the independent expert didn't do a proper inspection and only glanced at the car. She also says that the oil was topped up due to numerous leaks which resulted in the leaks seeping back into the engine making the oil level now high – and the oil has a distinct diesel smell and was excessively diluted".*

I set out my provisional findings in that provisional decision which were that Mrs C's complaint should be upheld for these reasons:

- Blue Motor Finance, as the supplier of the car, was responsible for ensuring that it was of satisfactory quality when it was supplied to Mrs C - whether or not it was of satisfactory quality at that time will depend on a number of factors, including the age and mileage of the car and the price that was paid for it;
- the car that was supplied to Mrs C was about seven years old, had been driven for more than 74,000 miles and had a price of £8,000;
- satisfactory quality also covers durability which means that the components within the car must be durable and last a reasonable amount of time – but exactly how long that time is will also depend on a number of factors;

- the car was supplied to Mrs C in March 2020 and it passed an MOT test before it was supplied to her when its mileage was recorded as 74,311;
- she says that she didn't use the car much during the first year because she was pregnant and because of the government imposed restrictions in response to the pandemic but the car broke down in April 2021;
- it was then checked by a garage which provided a detailed letter about the issues with the car which said:

*"The 1st & 2nd Injectors had oil and diesel leaking through the cam cover seal as well as the 4th injector. We noticed there was damage in multiple places on the inlet manifold which was also leaking oil. It seemed ... that perhaps a soldering iron may have been used to try and repair this leak. I say this due to the evidence on the inlet manifold. We discussed with [Mrs C] that she would need the Rocker Cover Gasket replaced as the seal goes around all the injectors which are damaged and are causing the leaks. We advised her that we would also do an oil change and clean the injectors in the process which, we estimated the repairs with labour around £730. ... We did a minor repair to try and reduce the leak from the inlet manifold. This slightly reduced the leak as it is cracked and will need replacing. We managed to remove the 1st injector and found the seal ring was completely damaged. When we came to removing the 2nd & 3rd injectors they would not come out, they seemed to be seized in the cylinder head. We advised [Mrs C] that she would need to seek injector specialists advice as we would not take liability if damage is caused to the cylinder head. We cleaned and returned the 1st injector and used a large o ring seal to try and stem the leak";*

- that garage then did an MOT test on the car and says that it tried to remove the injectors and that it: "... removed the hold down bolts for the first 3 injectors but the 4th injector hold down bolt thread seems to be damaged and will only partially undo before going tight again and feels bent" and it said: "We also strongly believe that prior damage had been done to this vehicle, due to the problems with the hold down bolt and inlet manifold" and that the car needed a specialist repair which could cost between £2,000 and £3,000;
- it says that Mrs C then contacted it about a loss of power from the car and it found that the 4th injector had come loose and fuel was being forced via the cam cover gasket into the sump, the oil level was excessively high which had been diluted and diesel could be smelt so it retightened the 4th injector bolt just enough due to the damaged thread and changed the oil;
- the car's mileage when it passed the MOT test was 78,226 miles – so the car had been driven for nearly 4,000 miles since it was supplied to Mrs C;
- Mrs C complained to Blue Motor Finance about the car in June 2021 and it arranged for the car to be inspected by an independent expert later than month when its mileage was recorded as 78,980 – so the car had been driven for about 700 miles since that MOT test;
- the inspection report said: "Our opinion, being based on a physical assessment, written and verbal information supplied, observations made by the engineer and our previous experience: This vehicles' oil has been diluted with fuel, which has resulted in the oil level in the sump increasing. This is a common issue and is caused by a blockage of the DPF (Diesel Particulate Filter) causing the vehicle to go into constant regeneration. The vehicle now requires having the oil filter replaced, and the DPF cleaned and regenerated, prior to going back into service.

*There was also a seepage of fuel from number one injector seal which would benefit from replacement, however, the seal is a minor issue in comparison with the blockage of the DPF. In all other aspects, the vehicle's overall general condition is in line with its age and reported mileage, as cleaning and regenerating the DPF would be classed as routine maintenance and this would not impinge on the vehicle being fit for purpose, now and at the point of sale";*

- Mrs C says that she had to stop driving the car in September 2021 and she then paid for it to be inspected by another garage in November 2021;
- that garage's findings were that the auxiliary belt has cracking, cylinder 1 has crank case pressure venting through injector cam cover seal, cylinder 4 has minor crank case pressure venting through injector cam cover seal, the inlet manifold has had an insufficient repair, the oil level was excessively high and the engine oil appears to be deteriorated and there is no clamp present on the air box to turbo pipe;
- both the garage that inspected the car in April 2021 and the garage that inspected it in November 2021 have identified significant issues with the car's injectors (as well as other issues) and the independent expert identified a seepage of oil from an injector;
- I consider it to be clear from that evidence that there are issues with the car's injectors and I consider it to be more likely than not that those issues were present or developing when the car was supplied to her;
- I'm not persuaded that it's likely that those issues started in the time between the car being supplied to Mrs C and it breaking down in April 2021;
- the car passed an MOT test in April 2021 even though there were issues with its injectors so the fact that the car passed an MOT test before it was supplied to Mrs C doesn't persuade me that those issues weren't present at that time;
- I find that it's more likely than not that the car wasn't of satisfactory quality when it was supplied to Mrs C and that it would be fair and reasonable for her to be able to reject the car;
- I find that Blue Motor Finance should end the hire purchase agreement and arrange for the car to be collected from Mrs C – both at no cost to her;
- Mrs C was able to use the car until April 2021 when it broke down and she had some use from it after that (but less use that she would have had if the car hadn't been faulty – and her use and enjoyment of the car will have been impacted by the issues with it and she says that she's had to hire cars and take trains for longer journeys as she couldn't use the car);
- I consider that it's fair and reasonable that she should pay for the use that she had from the car until April 2021 so I consider that Blue Motor Finance should keep the monthly payments that she's made under the hire purchase agreement for that period as payment of the use that she's had from the car – but I find that it should refund to her any payments that she's made under the agreement for the period since then, with interest;
- Mrs C paid £900 for work on the car in April 2021 and she paid for an inspection of the car in November 2021 – I find that it would be fair and reasonable for Blue Motor Finance to reimburse her for those costs, with interest (and in responding to this provisional decision, Mrs C should provide evidence to show the amount that she paid for the inspection);

- the hire purchase agreement shows that Mrs C didn't pay a deposit for the car but I find that Blue Motor Finance should remove any information about the agreement that it's recorded on her credit file; and
- these events have clearly caused distress and inconvenience for Mrs C and I find that it would also be fair and reasonable for Blue Motor Finance to pay her £200 to compensate her for that distress and inconvenience.

Blue Motor Finance says that Mrs C's own testimony regarding her use of the car supports the information within the independent inspection report that a lack of use and short journeys had caused the problems and it isn't liable for problems caused by her driving style or lack of use of the car. It says that the independent expert stated the injector seal was a minor issue and it has nothing to gain from the issues highlighted. It doesn't believe that it's fair to ask it to pay for work that Mrs C has had done on the car without informing it and prior to raising her complaint – that took away its right to inspect the car to establish any liability and any issues with the repairs that the garage did in April 2021 are not its liability.

### **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.

Having done so, I'm not persuaded that I should change my provisional decision. Both the garage that inspected the car in April 2021 and the garage that inspected it in November 2021 have identified significant issues with the car's injectors (as well as other issues) and the independent expert identified a seepage of oil from an injector. I consider it to be clear from the evidence that there are issues with the car's injectors and I don't consider it to be likely that the damage to them has been caused by Mrs C's driving style or her limited use of the car or that it's been caused since the car was supplied to her. I consider it to be more likely than not that the damage to the injectors was present when the car was supplied to Mrs C and caused the car not to have been of satisfactory quality at that time.

I'm not persuaded that it's likely that the April 2021 repairs have caused or contributed to the faults with the car and I consider that it's fair and reasonable in these circumstances for Blue Motor Finance to reimburse Mrs C for those repair costs.

I find that it's more likely than not that the car wasn't of satisfactory quality when it was supplied to Mrs C and that it would be fair and reasonable for her to be able to reject the car.

### **Putting things right**

I find that Blue Motor Finance should take the actions described in my provisional decision and as set out below.

### **My final decision**

My decision is that I uphold Mrs C's complaint and order Blue Motor Finance Limited to:

1. End the hire purchase agreement and arrange for the car to be collected from Mrs C – both at no cost to her.
2. Refund to Mrs C the monthly payments that she's made under the agreement for the period since the car broke down in April 2021.
3. Reimburse Mrs C for the cost of the work on the car in April 2021 and the cost of the inspection in November 2021.

4. Pay interest on the amounts at 2 and 3 above at an annual rate of 8% simple from the date of each payment to the date of settlement.
5. Remove any information about the hire purchase agreement that it's recorded on Mrs C's credit file.
6. Pay £200 to Mrs C to compensate her for the distress and inconvenience that she's been caused.

HM Revenue & Customs requires Blue Motor Finance to deduct tax from the interest payment referred to at 4 above. Blue Motor Finance must give Mrs C a certificate showing how much tax it's deducted if she asks it for one.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 12 August 2022.

Jarrold Hastings  
**Ombudsman**