

## The complaint

Mr R complained that a car he took on finance from AutoMoney Limited was not of satisfactory quality. He says that he should be able to return it, or that AutoMoney should meet the cost of repairs.

## What happened

In December 2020 Mr R entered into a five-year hire purchase agreement with AutoMoney for a used car. The cash price of the car was just over £13,000; it was over six years old and had covered some 51,000 miles.

Shortly after the car was delivered to Mr R he complained about faults with it. There were, he said, some scratches to the bodywork and wheels, the rear parcel shelf was missing, and the exhaust was rattling.

Repairs to the exhaust were arranged at no cost to Mr R. The parcel shelf was replaced. Mr R took the car to a specialist garage for inspection. It concluded that the car had been poorly repaired after a collision. The radiator grille had not been properly fitted and the front diffuser was missing. Mr R received a quote for repairs of just over £1,100, including VAT.

Mr R complained to AutoMoney that the car had not been of satisfactory quality at delivery. It said however that the issues that had not been resolved to his satisfaction were cosmetic only and would have been apparent when he collected the car. There was no record of the car having been involved in an accident. It did not believe that it was responsible for the bodywork issues which Mr R had identified.

Mr R referred the matter to this service, and one of our investigators considered what had happened. The investigator thought that AutoMoney should pay for the damage that would not have been apparent at delivery. In summary, that meant the cost of removing and refitting the front bumper, replacing the front diffuser, and repairing and refitting the front grille.

Both AutoMoney and Mr R accepted the investigator's conclusions. Mr R then obtained a further quote for the work, which amounted to some £5,000 – significantly more than the first investigator had not said AutoMoney should pay for. The case was therefore passed to me for further consideration.

I considered what had happened and issued a provisional decision. In that decision, I said :

*The hire purchase agreement was to be read as including a term that the car would be of satisfactory quality. That means the quality a reasonable person would expect in the circumstances. Those circumstances include the car's price, age and mileage. I think a reasonable person might expect a used car such as this one to have some imperfections and to need some work beyond normal servicing over the hire-purchase period.*

*The requirement that goods be of satisfactory quality does not apply to anything which makes the goods unsatisfactory and which the customer's inspection of them (if any) before*

*the contract was made ought to have revealed. Mr R says that he did not have a proper opportunity to inspect the car, because it was dark at the time. I understand his point here, but it was several weeks until Mr R raised any issue. That might suggest that the cosmetic issues with the car were not sufficiently serious as to be matters of satisfactory quality or that, even if he had noticed them sooner, Mr R would have accepted them in any event.*

*Further investigation of those issues did however indicate that the car had been poorly repaired. AutoMoney said that its checks did not reveal any insurance alerts for the car, but in my view those checks would not show all accident damage. I think it likely that the car had been involved in an accident and that it had not been properly repaired. That would not have been apparent to Mr R. I believe too that the poor repairs – rather than the fact of an accident – meant that the car was not of satisfactory quality.*

*For these reasons, I think it would be fair for AutoMoney to meet the costs of those repairs which are needed because the original repairs were unsatisfactory and which would not have been apparent to Mr R. That is, I do not believe that AutoMoney should have to pay for defective paintwork or scratches, but it should meet the costs of removing and refitting the e*

*AutoMoney and Mr R broadly agree on this – in the sense that they both accepted the investigator's assessment. Mr R's estimate of the cost of repairs, however, runs to some £5,000. I have considered the estimate carefully but have come to the conclusion that it does include a good deal of work over and above that which the investigator thought AutoMoney should cover.*

*I accept that the initial estimate provided by Mr R may be out of date by now. The newer estimate is more detailed, however, so I have tried to estimate the total cost of the work which the investigator recommended by funded by AutoMoney. It does not appear to be significantly more than the first estimate.*

*It would of course be preferable for the parties to agree a figure, based on the investigator's assessment. If however that is not possible, I will make an award based on what I consider to be a reasonable estimate of the cost of repairs – having regard to the two estimates which have been provided. In my view, a fair award would be £1,400, to include parts, labour and VAT. I accept that may be slightly more or slightly less than the actual costs of repair, but I believe it will be a fair and clear resolution.*

I gave the parties until 22 August 2022 to make further submissions and provide any further evidence they wanted me to consider. AutoMoney did not respond within that timescale. Mr R said however that he thought the evidence he had provided showed the car had been involved in an accident. He did not think that £1,400 was enough to cover the cost of repairs

### **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.

Mr R's response to my provisional decision did not, in my view, make any new arguments that I had not already considered and discussed in that decision. Nor did Mr R (or AutoMoney for that matter) provide me with any further evidence. Mr R did not provide any explanation of the second quote that he had provided.

For these reasons, I do not believe there is any good reason to change my view from that set out in my provisional decision.

### **My final decision**

For these reasons, as well as those set out in my provisional decision, my final decision is that, to resolve Mr R's complaint in full, AutoMoney Limited should pay him £1,400.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 29 September 2022.

Mike Ingram  
**Ombudsman**