

The complaint

Miss M complains that a car that was supplied to her under a hire purchase agreement with Oodle Financial Services Limited, trading as Oodle Car Finance, wasn't of satisfactory quality.

What happened

A used car was supplied to Miss M under a hire purchase agreement with Oodle Car Finance that she electronically signed in December 2021. She says that car suddenly lost power when she was driving it on a motorway in March 2022 so she took it to a garage and the glow plugs were replaced. The car continued to have power issues so Miss M took it to a manufacturer's dealer. It replaced the glow plug relay which was paid for under the car's warranty but said that the car was still lacking power and it identified an issue with the diesel particulate filter which it said would need to be replaced.

Miss M contacted the supplying dealer and it arranged for the car to be inspected by an independent expert. The supplying dealer refused to pay for the replacement glow plugs or a replacement diesel particulate filter so Miss M complained to Oodle Car Finance. Oodle Car Finance arranged for the car to be inspected by another independent expert in May 2022. It then said that it would provide Miss M with £150 to get the car recovered to a local specified garage and a further £85 for a chemical clean of the diesel particulate filter. Miss M didn't accept its offer and complained to this service. She says that she wants to reject the car.

Our investigator recommended that Miss M's complaint should be upheld in part. He didn't think that the car was of a satisfactory condition when it was provided because of the diesel particulate filter fault but he thought that Oodle Car Finance's offer to cover the recovery and repair costs was fair. He said that it had paid Miss M £1,225 towards the cost of a hire car but it wouldn't be fair to ask it to continue paying for a hire car. He said that the issues with the car had had a significant impact on Miss M's finances and the lack of a car meant that she lost her job so he recommended that Oodle Car Finance should pay her £300 for the distress and inconvenience that she's been caused.

Miss M has asked for her complaint to be considered by an ombudsman. She says, in summary, that Oodle Car Finance didn't offer to replace the glow plugs, her credit score has been impacted and she shouldn't have to pay for the car which remains with the manufacturer's dealer. She says that she's been contacted by bailiffs and the car will need an MOT test.

Oodle Car Finance has accepted our investigator's recommendations and has agreed, as a gesture of goodwill, to cover the cost of the MOT test and it says that, if the car fails that test, it will consider Miss M's request for it to pay for any further repairs at that point.

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 agree with the outcome recommended by our investigator for these reasons:

- Oodle Car Finance, as the supplier of the car, was responsible for ensuring that it was of satisfactory quality when it was supplied to Miss M - 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 Miss M was about four years old, had been driven for more than 43,000 miles and had a price of £17,980;
- 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 Miss M in December 2021 and she was able to use it without any reported issues until March 2022 when she says that it suddenly lost power when she was driving it on a motorway;
- she took the car to a garage and it replaced the car's glow plugs but the car continued to have power issues so Miss M took it to a manufacturer's dealer;
- the manufacturer's dealer replaced the glow plug relay - which was paid for under the car's warranty - but it said that the car was still lacking power and it identified an issue with the diesel particulate filter which it said would need to be replaced;
- Miss M then contacted the supplying dealer and it arranged for the car to be inspected by an independent expert in April 2022;
- the inspection report recorded the car's mileage as 47,297 miles and identified that there was *"a distinct lack of power"* from the car which could be caused by a diesel particulate filter issue, but it said: *"Due to the time which has elapsed and the mileage the vehicle has covered since finance inception we would not consider the reported faults to have been present or developing at that time and the selling agents have no responsibility in this matter"* - so the supplying dealer refused to pay for the replacement glow plugs or a replacement diesel particulate filter;
- Miss M then complained to Oodle Car Finance and it arranged for the car to be inspected by another independent expert in May 2022;
- the inspection report said: *"DPF issues are common and from time to [time] requires specialist cleaning and regenerating which we believe is the cause of the underlying symptoms at the time of the inspection. Therefore we are recommending that the DPF is taken to a suitably qualified repairer for the DPF not only to be regenerated but to be cleaned; this should be classed as a routine maintenance issue not a direct result of a manufacturing defect"*;
- relying on the findings of the two independent inspection reports, Oodle Car Finance offered to pay Miss M £150 to get the car recovered to a local specified garage and a further £85 for a chemical clean of the diesel particulate filter – it had also reimbursed her for the costs that she'd incurred in hiring a car;
- that offer wasn't accepted by Miss M and Oodle Car Finance has now agreed to pay to Miss M an additional £300 compensation for the distress and inconvenience that she's been caused and, as a gesture of goodwill, to cover the cost of an MOT test for the car and, if the car fails that test, it will consider Miss M's request for it to pay for any further repairs at that point;
- I consider it to be more likely than not there was an issue with the car's diesel particulate filter when the car was supplied to Miss M and that that issue caused the car not to have been of satisfactory quality at that time;

- the car has been inspected by two independent experts who have identified that the car has a lack of power which is related to diesel particulate filter issues and the May 2022 report recommended that the diesel particulate filter should be regenerated and cleaned;
- I consider that it was fair and reasonable for Oodle Car Finance to rely on the findings of the two independent inspection reports and to offer, in June 2022, to pay Miss M £150 to get the car recovered to a local specified garage and a further £85 for a chemical clean of the diesel particulate filter – and it had also reimbursed her for the costs that she'd incurred in hiring a car – but I agree with our investigator that it should also have offered to pay some compensation to Miss M for the distress and inconvenience that she'd been caused;
- Miss M has described the significant issues that she's experienced with her health, her financial situation and losing her job – and she's also had issues with the car and I recognise that it must have been distressing for her when the car lost power when she was driving it on a motorway – I sympathise with her for all of those issues but she didn't accept the offer that Oodle Car Finance had made to her in June 2022 and, as a result of that, the diesel particulate filter hasn't been cleaned and the car remains with the manufacturer's dealer;
- I find that it would be fair and reasonable for Oodle Cr Finance to pay Miss M £300 to compensate her for the distress and inconvenience that she's been caused but I'm not persuaded that it would be fair or reasonable for me to require it to reimburse her for any further hire costs, to waive or refund any payments that were due from her under the hire purchase agreement or remove any adverse information about the agreement that it may have recorded on her credit file;
- the car's glow plugs were replaced by a garage and the glow plug relay was replaced by the manufacturers' dealer under the car's warranty – I'm not persuaded that there's enough evidence to show that there's an ongoing issue with the car's glow plugs but Oodle Car Finance has agreed, as a gesture of goodwill, to cover the cost of an MOT test for the car and, if the car fails that test, it will consider Miss M's request for it to pay for any further repairs at that point – I consider that to be fair and reasonable in these circumstances;
- I'm not persuaded that it would be fair or reasonable for me to require Oodle Car Finance to reimburse Miss M for the cost that she incurred in paying for the glow plugs to be replaced or to require it to pay for any other repairs to the car – and nor am I persuaded that it would be fair or reasonable for me to require Oodle Car Finance to allow Miss M to reject the car; and
- I suggest that, if she hasn't already done so, Miss M contacts Oodle Car Finance to discuss her financial difficulties and her options under the hire purchase agreement – it's required to respond to her financial difficulties positively and sympathetically.

Putting things right

I find that it would be fair and reasonable in these circumstances for Oodle Car Finance to make the payments to Miss M that it offered her in June 2022 and to also pay her £300 to compensate her for the distress and inconvenience that she's been caused.

My final decision

My decision is that I uphold Miss M's complaint in part and I order Oodle Financial Services Limited, trading as Oodle Car Finance, to:

1. Make the payments that it offered to Miss M in June 2022.

2. Pay £300 to Miss M to compensate her for the distress and inconvenience that she's been caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 26 December 2022.

Jarrold Hastings
Ombudsman