

## **The complaint**

Mr C complains that a car acquired with finance from {PSA Finance UK Limited wasn't of satisfactory quality.

## **What happened**

In July 2019 Mr C was supplied with a car and entered into a hire purchase agreement with PSA. At the point of supply the car was around 3 years old and had covered around 50,500 miles. The price of the car was £7,999.

In March 2022 the car lost power and was recovered to a local garage. It advised that the engine had lost compression in all three cylinders and that the valves and pistons were damaged. The garage said the engine needed to be replaced.

Mr C contacted PSA, who arranged an independent inspection of the car. The inspection report concluded that the cars servicing schedule requirements hadn't been maintained in relation to checking the timing belt following a safety recall issued by the manufacturer in January 2021, and that the engine had failed due to premature wear of the timing belt causing misfiring of the engine where the pistons made contact with the valves resulting in catastrophic engine damage. The inspector was of the opinion that the car would've been of satisfactory quality at the point of supply.

Based on the report, PSA didn't uphold Mr C's complaint.

Mr C wasn't happy with the response and brought his complaint to this service. He wants to reject the car.

Our investigator upheld the complaint. He thought the car wasn't of satisfactory quality because the timing belt wasn't sufficiently durable. He didn't think that a reasonable person would expect the timing belt to fail prematurely at 66,000 miles and after 6 years, when the service schedule indicated replacement of the timing belt at 112,000 miles or after 10 years.

PSA didn't agree. It obtained further comments from the inspecting engineer and asserted that the servicing garage hadn't carried out the servicing of the car with reasonable care and skill because it had failed to identify the correct servicing requirements including checking the timing belt. The engineer said that the spark plugs and air filter should have been replaced at the 48 months service and the fact that this hadn't occurred could be related to the premature failure of the timing belt. The engineer also said that the servicing invoices didn't provide enough detail to confirm whether the engine oil used in the services met the manufacturers requirements. PSA said that if the services had been carried out correctly, the timing belt wouldn't have failed and damaged the engine.

## **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. It 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 factors such as the age and mileage of the car and the price paid. Satisfactory quality includes fitness for purpose, freedom from minor defects, safety and durability.

Under the Consumer Rights Act 2015, where a fault occurs in the first 6 months, there's a presumption that the fault was present or developing at the point of supply and it's generally up to the business to put things right. The business is allowed one opportunity to repair the fault. If the repair isn't successful, the consumer can reject the car. After 6 months, the burden of proof is reversed and it's up to the consumer to show that the car wasn't of satisfactory quality when supplied.

In this case, at the point of supply, the car was around 3 years old and had covered around 50,500 miles. I'd expect a second hand car to have a degree of wear and tear and to require more repairs and maintenance than, say, a brand new car.

I've reviewed all the available information. Based on what I've seen, I'm satisfied that the car had a fault. This is because the garage to which the car was recovered after it broke down confirmed that the engine had suffered catastrophic failure. The independent report also confirmed this.

I've gone on to consider whether the car was of satisfactory quality at the point of supply.

An independent report can help to determine whether a car was of satisfactory quality when supplied. In this case, the car was inspected in May 2022. At the time of inspection, the car had a recorded mileage of 66,601 miles. So, it had travelled around 16,000 miles since the point of supply. The report concluded that the engine had failed because of premature wear of the timing belt. The report also says that the car's servicing schedule hadn't been maintained.

I've looked at the car's service manual. This says that the timing belt should be replaced every 112,000 miles or 10 years.

In this case, the car had only covered around 66,000 miles and was around 6 years old. So it appears that the timing belt failed prematurely. This is relevant because durability is a factor in considering whether a car is of satisfactory quality.

I've gone on to consider whether there was an external reason for the timing belt failing prematurely.

There's no evidence that Mr C was driving the car in subnormal conditions, or that he otherwise drove the car in such a way as would impact on the durability of the timing belt.

The inspection report states that the car's servicing requirements haven't been met. PSA has said that a safety recall issued in 2021 wasn't implemented.

I've looked at the service history of the car. Mr C used a local garage for servicing. The car was last serviced in January 2022, around 3 months before it broke down. The previous service to that was carried out in December 2020. On each occasion, I can see that the oil filter was replaced, and the oil changed. I haven't seen anything to suggest that the servicing of the car wasn't carried out with reasonable care and skill.

PSA has said that the servicing garage failed to check the timing belt at every service. Whilst I can see that there is an outstanding recall for the timing belt, there's no evidence that the

servicing garage failed to check the timing belt when they serviced the car, or that the failure to implement the outstanding recall led to the premature failure of the timing belt.

PSA has also said that the spark plugs and air filter wasn't replaced at the December 2020 service and that the engine oil doesn't meet the manufacturers requirements. This isn't something which was discussed in the independent report and there no evidence that either of these two components were related to the premature failure of the timing belt.

Having considered all of the available evidence, I'm not persuaded that the timing belt failed prematurely because of a lack of servicing. I don't think the timing belt was durable, and it follows that the car wasn't of satisfactory quality.

### **Putting things right**

The evidence I've seen suggests that the cost of repairing the car is more than the value of the car. For this reason, I don't think its fair to ask PSA to arrange repairs. Mr C should be allowed to reject the car.

Mr C hasn't been able to use the car since 28 March 2022 because of the engine failure. I don't think its fair to expect Mr C to make payments for a car he isn't able to use. So I'm asking PSA to refund all monthly payments made by Mr C since 28 March 2022.

It's clear that Mr C has been caused significant distress and inconvenience as a result of being supplied with a car which wasn't of satisfactory quality. He's had to make alternative travel arrangements and find a replacement car. I think its fair to ask PSA to pay compensation to Mr C for the inconvenience he's suffered. I also think its fair to ask PSA to refund the costs of the diagnostic report obtained by Mr C.

### **My final decision**

My final decision is that I uphold the complaint. PSA Finance UK Limited must:

End the agreement with nothing further to pay

Arrange for the car to be collected at no cost to Mr C

Refund the deposit of £2000

Refund all payments made under the agreement since 28 March 2022 until the date of settlement

Refund the costs of the diagnostic report in the sum of £75

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

Pay £150 for distress and inconvenience

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 8 January 2023.

Emma Davy  
**Ombudsman**