

The complaint

Mr C complains that the car he acquired financed through 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 Mr C under a hire purchase agreement with Oodle which he signed on 16 March 2022. Within two weeks of acquiring the car Mr C experienced several issues and took the car back to the supplying dealer for repairs to be carried out. These issues included the vehicle would not lock, key casing had come adrift, the bonnet open warning message was on, and the service light was on pertaining to the diesel exhaust fluid (DEF). The garage carried out an engine oil and filter change, reset the service interval, topped up the DEF, removed and replaced both front bonnet catches which were causing the vehicle not to lock and removed and replaced the key case.

In June 2020 Mr C experienced further issues with the car, concerning the turbo, and took the vehicle to a third-party garage for repairs which included replacement of the turbo and a further oil and filter change. Shortly after collecting the car Mr C experienced the same issues and brought a complaint to Oodle.

Oodle commissioned an independent inspection in August. In the report the inspector concluded that the engine oil was excessively high showing poor viscosity and contamination with fuel, which suggested the DPF filter was partially blocked. It said once necessary repairs had been carried out it saw no reason why the vehicle should not be returned to regular in-service usage. In its final response Oodle said it would not agree to Mr C rejecting the vehicle but would consider contributing to the cost to have the filter cleaned. Mr C wasn't happy with this response and brought his complaint to this service.

Our investigator concluded that the car was not of satisfactory quality when it was supplied to Mr C, in particular that it wasn't durable. He said as the vehicle had already been repaired once and Mr C did not want to continue with more repairs he should be allowed to reject the car.

Oodle didn't agree and asked for a final decision from an ombudsman. It said if the customer has chosen to have the repairs completed rather than rejection then he has foregone his right to reject.

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 conclusions reached by the investigator for reasons I've outlined below.

- Oodle Car Finance as the supplier of the car was responsible for ensuring that it was

of satisfactory quality when it was supplied to Mr C – whether it was of satisfactory quality at that time will depend on several factors including the age and mileage of the car and the price that was paid for it.

- The car that was supplied to Mr C was approximately three and a half years old, had been driven just over 40,500 miles and had a price of £24,999.
- 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 several factors.
- Within a few days of Mr C acquiring the car it went back to the dealer workshop for repairs. The repair included oil and filter change and replacement of both bonnet catches as these were causing the vehicle not to lock. Although these faults weren't the subject of the independent inspection it does seem likely they were present or developing at the point of sale. And I would consider the vehicle not locking as a significant fault which would likely render the car not of satisfactory quality.
- The car failed again in June 2020. Mr C took the car to a third-party garage where the turbo was replaced as well as an oil and filter change. By this time Mr C had driven about 3,200 miles. The car immediately failed again.
- The independent inspector concluded:

“the engine oil level is excessively high and oil showing poor viscosity and contamination with fuel, this suggests that the DPF filter is partially blocked result the vehicle into constant regeneration which in turn can result in the unburnt fuel entering the crankcase contaminating the oil which is consistent with our findings...”

DPF issues are common and, from time to time, require specialist cleaning and regenerating. We believe this is the cause of the underlying symptoms at the time of the inspection...

Although cleaning the DPF is classed as normal in-service maintenance, in this case we believe that the sales agent is responsible for cleaning the DPF as the vehicle appears to have suffered ongoing issues with the induction system such as a failure of the turbocharger. It appears that the initial issue with the oil was highlighted only 741 miles after the date of purchase...”

- It appears to me the vehicle wasn't of satisfactory quality at the time Mr C acquired it. I say this because the oil and filters needed changing within two weeks of Mr C taking the car, then the turbo failed on 17 June and was repaired. And then the turbo failed again. The independent inspector has indicated a link between the turbo failing and an underlying problem with the DPF. The report also indicated that this would have been present or developing at the point of supply.
- Oodle responded to our investigator's view:
 - it agreed the repairs to the turbo have failed. But it said the repairs were completed by a third-party garage without the dealer being made aware. Oodle said had Mr C approached the dealer there is a valid argument that Mr C may have had the right to reject the vehicle or have it repaired. By allowing a third-party garage to complete the repair it said Mr C has not had it repaired correctly. Oodle went on to say it didn't deny there are durability concerns regarding the vehicle but if Mr C had requested a repair to fix the issues that

arose after the first repair was completed then he has foregone his right to rejection and the dealer should be given the chance to fix the new issue. It said the fact the repairs completed by the third-party garage have not been successful has meant that it is in this position, and it's unfair to put the entire liability of that onto the dealer.

- Oodle said it agreed that Mr C does have the right to reject. However, it did not accept Mr C can have a third-party garage complete the repairs see how that works out and then retrospectively exercise his right to reject leaving it to pick up the pieces. It said if Mr C has chosen to have the repairs completed rather than rejection then he has foregone his right to reject.
- The Consumer Rights Act allows for one chance of repair. The initial faults Mr C experienced with the vehicle included issues with the oil and filters and the car wasn't locking. The dealer made these repairs on 29 March 2022. As I said above I'm satisfied these faults rendered the car of unsatisfactory quality, were likely present at point of sale and I'm also satisfied the dealer has already had its chance to repair the vehicle.
- The independent inspector said it believed the DPF issues were the cause of the underlying symptoms and that in this instance the sales agent is responsible for cleaning the DPF as it appeared that the initial issue with the oil was highlighted only 741 miles after the date of purchase. So I don't think the fact that the turbo was repaired by a third-party is necessarily relevant.
- I'm persuaded the car wasn't of satisfactory quality at the point of sale and I think it's fair that Mr C be allowed to reject it.
- Mr C hasn't had use of the car since 29 June 2022 and the car isn't driveable, so I think it fair payments beyond this date are refunded to him.
- Mr C has said this situation has caused him distress both emotionally and financially. And he's had to make alternative arrangements. So I think it fair that Oodle should pay £150 for distress and inconvenience to reflect this.

Putting things right

To put things right Oodle Financial Services Limited trading as Oodle Car Finance must:

1. end the agreement with nothing further to pay;
2. collect the car (if this has not been done already) at no further cost to Mr C;
3. refund Mr C's deposit/part exchange contribution of £4,999;
4. refund all payments for the period from 29 June 2022 to the date of settlement as Mr C reasonably stopped using the car at this point;
5. pay 8% simple yearly interest on all refunded amounts above from the date of payment until the date of settlement;
6. pay £150 for any distress or inconvenience that's been caused due to the faulty goods;
7. remove any adverse information from the customer's credit file in relation to the agreement.

My final decision

My final decision is that I uphold this complaint and Oodle Financial Services Limited, trading

as Oodle Car Finance, must put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 26 September 2023.

Maxine Sutton
Ombudsman