

The complaint

Ms D is unhappy that a car supplied to her under a hire purchase agreement with Startline Motor Finance Limited was of an unsatisfactory quality.

What happened

In September 2022, Ms D was supplied with a used car through a hire purchase agreement with Startline. The agreement was for £5,787 over five years; with 58 monthly repayments of £97.91 and final repayment of £107.91. At the time, the car was around seven years old, and had done 63,000 miles.

Ms D said she had to pay for a number of repairs. In October 2022 she paid for spark plugs, air filter, engine oil, an oil filter, and a ball joint as part of a full service. She said she organised and paid for the service to keep the warranty valid.

She then paid for a repair to fix misfiring, new brake pads, and a new clutch. In November 2022 she paid for a new wiper motor.

She was also unhappy that there were rips in the driver's seat and in the carpet, and she said the parcel shelf was missing.

She said she had to pay £322 for parts and the service. She said she had to hire a car whilst this car was in for repairs. This cost her £217.

She said she'd been told the car was in good working order and had a full service before she got it. She said the number of faults she had to have fixed showed this wasn't the case.

In December 2022 Startline partly upheld Ms D's complaint. They said the dealer had paid for the repairs to the clutch and windscreen wiper motor and the broker had paid £100 towards the cost of the car hire.

They didn't uphold her complaint about the damage to the carpet and the seat as they said these were cosmetic and she would have seen them before she got the car. They said the car's service history was available to Ms D to check before she entered into the agreement. They said the broker had already paid £100 towards a new parcel shelf.

They declined to reimburse her other costs as they said the supplying dealer should have had the opportunity to do the repairs. They said they wouldn't reimburse the cost of the repairs because Ms D had the work done without prior authorisation.

Ms D wasn't happy with Startline's response, and she brought her complaint to the Financial Ombudsman Service for investigation.

Our investigator was satisfied there were faults with the car. He said that the car should have been serviced before it was supplied to Ms D, and if it had, many of the initial issues would have been fixed before the car was supplied.

He also felt that Startline were responsible for the repairs to the windscreen wiper motor, and the clutch and gearbox repairs. He said this meant they should cover Ms D's costs for the car hire.

Startline accepted our investigators' outcome and agreed to reimburse Ms D as he'd suggested.

Shortly after he issued his opinion, Ms D reported faults with the gearbox to Startline. Ms D said the dealer was willing to take the car back, but after Startline told her how long this may take, she said this would leave her without the car and she needed to stay mobile. She said the supplying dealer told her it wasn't economical to repair the gearbox. She said another garage had told her the gearbox needed to be replaced.

The warranty she had agreed to cover the cost of £915 towards the repair. This left Ms D with a balance of £650 to pay, plus £180 she'd paid to get her own report. She also wanted Startline to contribute to the cost of a new Lambda sensor. In total she asked Startline to pay £1017.99 for:

Gearbox and detailed report £322
Service & Car Rental £503
Lambda Sensor £72.99
Compensation for stress etc £120

Startline said Ms D was responsible for the servicing of the car. They offered to pay £395 towards the cost of the repairs.

Our investigator issued a second opinion addressing the issues that had been raised since his first view. He said that Startline's offer to pay half the costs of the gearbox repair was fair, as was their offer to pay half the cost of the replacement Lambda sensor. He said that both parts were liable to wear and tear, so it wasn't reasonable to expect them to pay the full cost. He said that Startline should:

- Pay Ms D £100 caused by the stress and inconvenience of being provided an unsatisfactory car.
- Refund the £217 hire car costs in total – (Startline needed to confirm that the broker has paid their amount or cover the lot) plus 8% interest from the date of payment to the date of settlement.
- Startline needed to refund the amounts paid for the service and the associated replacement parts plus 8% interest from the date of payment until the date of settlement.
- Startline pay Ms D the £395 as previously offered.

Ms D accepted his findings. Startline disagreed and asked for an ombudsman to make a final decision. They said the amount they were being asked to pay was excessive as it included serviceable items.

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've reached the same overall conclusions as the investigator, and for broadly the same reasons. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome.

In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and (if appropriate) what I consider was good industry practice at the time. Ms D was supplied with a car under a hire purchase agreement. This is a regulated consumer credit agreement which means we're able to look into complaints about it.

The Consumer Rights Act 2015 (CRA) says, amongst other things, that the car should've been of a satisfactory quality when supplied. And if it wasn't, as the supplier of goods, Startline were responsible.

There is no dispute that the car had faults. The issue at dispute here is what redress and repairs should Startline pay for. They are unhappy that our investigator suggested they should pay for "*serviceable items*". They said they'd offered to pay £395 to Ms D but felt that asking to pay for "*oil, filters, brake pads etc*" was excessive.

I'd expect a second hand car to have some wear and tear, and I wouldn't ordinarily expect Startline to pay for such serviceable items. So I've reviewed the available information to see whether it's reasonable that Startline pay for those parts.

I note that the serviceable parts were supplied as part of the service. I've seen the original advert for the car Startline supplied to Ms D and it clearly states, in block capitals, that it had a full service history. Startline said Ms D should have checked that. I disagree. It was reasonable for her to rely on the statement made by the supplying dealer and broker.

Ms D arranged her own service. I think it was reasonable for her to do that, especially as she was concerned that it would impact on the warranty she had with the car. So I'm satisfied that Startline pay for the cost of the service, including the associated parts: replacement filters, oil, brake pads, spark plug, ball joint. This is because I would have expected these to have been replaced before it was supplied to Ms D if it had been, as advertised, fully serviced.

I also think it's reasonable they cover Ms D's costs of the vehicle health check. This is because Ms D had a number of problems with the car and had to obtain her own independent report.

I'm also satisfied that Startline pay Ms D £117 to cover the outstanding costs of her hiring a car to keep mobile. Again this isn't something I would pay in every case. But considering the difficulty she'd had getting a response from the supplying dealer, the time taken to repair, and Ms D's mobility issues, I'm satisfied in this case that Startline pay the rental costs.

I'm satisfied that it's not reasonable to ask Startline to pay for repairs to the carpet and the seat. I've looked at the photo and the damage is due to wear and tear – and not a fault.

Startline agreed to pay half the cost of the repair to the gearbox and the Lambda sensor. I think that is a fair and reasonable offer. Ms D has had multiple problems with the car, including issues with the clutch. But that doesn't mean that the fault was present or developing at the time of sale. I won't ask them to pay for the full repair so they should pay the amount already offered.

Putting things right

As I'm upholding this complaint Startline Motor Finance Limited must:

- Refund the additional £117 for car hire cost
- Pay Ms D £395 as previously offered towards repairs
- Refund the total costs Ms D paid for service, filters, oil, brake pad, spark plug, ball joint and health check plus 8% interest from the date of payment until the date of settlement.

In addition Startline should pay Ms D £100 for the distress and inconvenience of being provided an unsatisfactory car, and the delays in responding, and arranging repairs.

My final decision

For the reasons explained, I uphold Ms D's complaint. Startline Motor Finance Limited must follow the instructions I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms D to accept or reject my decision before 4 January 2024.

Gordon Ramsay
Ombudsman