

## **The complaint**

Ms M complains about the quality of a car she has been financing through an agreement with STARTLINE MOTOR FINANCE LIMITED, who I'll call "Startline"

## **What happened**

The details of this complaint are well known to both parties, so I won't repeat them again here. Instead, I'll focus on giving my reasons for my decision.

## **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.

I know it will disappoint Startline, but I don't think this car has been of satisfactory quality. I'll explain why.

Where the information I've got is incomplete, unclear, or contradictory, as some of it is here I have to base my decision on the balance of probabilities.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

Ms M acquired her car under a hire purchase agreement. This is a regulated consumer credit agreement and as a result our service is able to look into complaints about it.

The Consumer Rights Act (2015) is the relevant legislation. It says that the car should have been of satisfactory quality when supplied. If it wasn't then Startline, who are also the supplier of the car, are responsible. The relevant law also says the quality of goods is satisfactory if they meet the standard that a reasonable person would consider satisfactory taking into account any description of the goods, the price and all the other relevant circumstances.

In a case like this which involves a car the other relevant circumstances would include things like the age and mileage at the time the car was supplied to Ms M. The car here was about six years old and had already completed about 68,000 miles.

The relevant legislation allows the business one opportunity to repair a fault on a car that renders it of unsatisfactory quality. The engine was replaced on this car in the first few weeks, and I think that was the business' repair opportunity.

The independent inspector who looked at the car in August 2022 thought there was a further fault with the car. He thought there was a transmission fault that would have been present or developing when the car was supplied to Ms M and that the transmission had "*minimal future*

*life expectancy*". The relevant legislation explains that in those circumstances the business should allow the consumer to reject the goods and I think that's what Startline should have done.

There was a further inspection of this car in August 2022, and I can see that the engineer in that instance made no comment on the transmission. I'm not persuaded that suggests a transmission fault didn't exist. I can see that the independent engineer who identified the transmission problem is very experienced in these matters, and he's explained the symptoms that were present that led him to the conclusion he reached. Ultimately, I don't think it's likely such an error would have disappeared or that the independent engineer got it wrong.

### **Putting things right**

The agreement has already been terminated and the car has been returned.

Startline should refund Ms M's deposit/ part exchange contribution and, as she's been deprived of that money, they will need to add interest to that refund.

Ms M returned the car to the dealership on 29 July 2022 when she wasn't happy with its performance. Given my findings I don't think that was unreasonable. Whilst she had fair use of the car prior to that date (or was provided with a courtesy car), it wouldn't be fair for her to pay instalments towards the car after that date as she had no use of it. Startline will need to refund any instalments paid on or before 29 July 2022 and they will need to add interest to that refund.

Ms M has had to commission a diagnostic report on the car's condition in order to support her claim. I think that cost has been incurred as a consequence of the car being of unsatisfactory quality. So, Startline will need to refund the £118 that cost Ms M if she can provide them with proof of payment.

Ms M has been inconvenienced by these issues. She's had to take the car back to the dealership on several occasions and has had to arrange a diagnostic and, on occasion, to use public transport. She's also had to escalate her complaint to this service when I think it could have been resolved earlier. In those circumstances Startline should pay her £250 compensation for the distress and inconvenience she's experienced.

### **My final decision**

For the reasons I've given above I uphold this complaint and tell STARTLINE MOTOR FINANCE LIMITED to:

- Refund any deposit or part exchange contribution that has been paid and add 8% simple interest\* per year from the date of payment to the date of settlement.
- Refund any rentals paid from July 2022 (incl), in respect of the loss of use Ms M had of the car. Add 8% simple interest\* per year from the date of payment to the date of settlement.
- Refund the cost of Ms M's diagnostic report on provision of receipts and add 8% simple interest\* per year from the date of payment to the date of settlement.
- Pay Ms M £250 to compensate her for the distress and inconvenience she's experienced.

- Remove any adverse information they may have reported to Ms M's credit file in relation to this issue.

\*If HM Revenue & Customs requires the business to take off tax from this interest they must give the consumer a certificate showing how much tax they've taken off if the consumer asks for one.

Phillip McMahon  
**Ombudsman**