

The complaint

Miss S complains that a car acquired with finance from Startline Motor Finance Limited wasn't of satisfactory quality.

What happened

In November 2022 Miss S was supplied with a car and entered into a finance agreement with Startline. At the point of supply the car was around 3 years old and had covered mileage of around 50,632.

Miss S experienced issues with the car on the day she collected it. When she picked up the car she found that the car was pulling to the left and right. Miss S reported this to the supplying dealer and they told her to take the car to a third party garage to have the wheels aligned. The supplying dealership reimbursed Miss S for the cost of the wheel alignment.

Soon afterwards Miss S experienced a loss of power. She reported this to the supplying dealer, who replaced the battery. Miss S was continuing to experience issues with the car pulling to the right. The supplying dealer told Miss S to take the car back to the third party garage which had carried out the wheel alignment. The third party garage identified a caster split.

Miss S raised a complaint with Startline and asked to reject the car.

Startline didn't uphold the complaint. It said that it didn't agree that a wheel alignment warranted a rejection of the car.

Miss S remained unhappy and brought her complaint to this service.

Our investigator upheld the complaint. He said that there had already been one attempt at repair which the wheel alignment on the day of purchase. He said that the second fault – the castor split – meant that Miss S could reject the car.

Startline didn't agree. It acknowledged that there had been a wheel alignment on the day of purchase. It said that when Miss S reported ongoing issues with the steering the supplying dealer offered to arrange an inspection but instead Miss S had another wheel alignment carried out which was an unauthorised repair.

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. This 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. The legislation says that the quality of the goods includes their general condition, as well as things like fitness for purpose, appearance and finish, freedom from minor defects, safety and durability.

Under the relevant legislation, where a fault occurs within the first 30 days, the consumer has a short term right to reject the car. Where a fault occurs in the first 6 months, it's assumed 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.

I've reviewed the available information about the issues which Miss S experienced with the car. In this case, Miss S experienced an issue with the car pulling to the left and right on the day of purchase. Based on what I've seen, I'm persuaded that there was a fault with the car. It's not in dispute that the supplying dealer referred Miss S to a third party for a wheel alignment and met the costs of this.

I can see that Miss S contacted the supplying dealer after the wheel alignment had been carried out and reported ongoing issues with the steering. The dealership's notes record that Miss S asked to reject the car on 9 December 2022 and was advised that she should put her request in writing. I can also see that the dealership subsequently refused Miss S's request to reject on the basis of the wheel alignment and offered to arrange a diagnostic to identify any faults.

I've seen photos provided by Miss S which show that a further wheel alignment was completed by a different garage. Startline has said that this was an unauthorised repair which prevented the dealership from diagnosing the fault.

I've taken everything into account but I'm of the view that the first wheel alignment was the opportunity to repair under the relevant legislation. I accept Miss S's testimony that the repair didn't resolve the issues with the steering. The evidence shows that the car was returned to a garage for a further alignment after this repair, and that the alignment was outside of the allowable tolerance. The evidence also shows that the caster was split. In my view, this was the second repair attempt after the alignment had failed and the caster split was the second fault with the car.

The first attempt at repair was unsuccessful in remedying the steering issue, and a further fault was diagnosed at the second repair attempt. Under the relevant legislation, the car is treated as an entirety, and only one repair attempt is allowed if a fault is diagnosed in the first 6 months. As soon as the second fault was diagnosed here, Miss S was entitled to reject the car.

Startline has said that the second repair was an unauthorised repair. I don't think this is relevant to my decision here, which is based on the dealership having already had one opportunity to repair the fault. That repair wasn't successful and under the relevant legislation Miss S is entitled to reject the car.

Putting things right

I've already explained why I think Miss S should be allowed to reject the car. Startline should cancel the agreement and arrange to collect the car at no cost to Miss S.

I can see that Miss S has been able to use the car despite the steering issues and split caster, so I won't be asking Startline to refund all of the monthly payments. But I think Miss S should receive a refund of 30% of her payments to reflect the impaired use she had of the car.

It's clear that Miss S has been caused some distress and inconvenience as a result of being supplied with a car which wasn't of satisfactory quality. She's explained the impact that it had on her. I think it's fair to ask Startline to pay compensation to reflect this.

My final decision

My final decision is that I uphold the complaint. Startline Motor Finance Limited must:

End the agreement with nothing further to pay

Arrange for the car to be collected at no cost to Miss S

Refund 30% of monthly payments made by Miss S

Refund the deposit

Pay 8% simple interest per year on all amounts refunded calculated from the date of payment to the date of settlement

Pay compensation of £100 for distress and inconvenience

Remove any adverse information from Miss S's credit file in relation to the agreement

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 8 November 2023.

Emma Davy
Ombudsman