

The complaint

Mrs M has complained that she is unhappy with the quality of a car she acquired in June 2021, using a hire purchase agreement with MI Vehicle Finance Limited ("MIVF").

What happened

Mrs M acquired a used Vauxhall in June 2021, using a hire-purchase agreement with MIVF. The cost of the car was £14,364, of which Mrs M borrowed £9,364 over a term of 60 months, with a monthly repayment of £204.97. The car was about two and a half years old and the mileage at the point of supply was 16,329.

In April 2023 the car broke down and Mrs M called the RAC. The RAC report states that Mrs M made the callout due to an engine malfunction light on the dashboard, showing low oil pressure with a warning to stop the vehicle. The report goes on to say that the RAC engineer inspected the wet belt via the oil cap and that the belt was "*cracked/cracking in central wear*" and that it was recommended that Mrs M should get the belt changed as soon as possible – the car "*has only carried out 32,395 miles*"

Mrs M thought that this shouldn't have happened at this mileage level. So she complained to MIVF, saying that she thought it should cover the cost of the repair. MIVF responded to say that as Mrs M had owned the car for nearly two years it had requested an independent report to provide evidence that the wet belt had failed prematurely, and as this hadn't been provided it would not be upholding the complaint.

Mrs M was unhappy with this, and brought her complaint to this service. Our investigator looked into the complaint, and concluded that it should be upheld. MIVF did not agree, and asked that the complaint be reviewed by an ombudsman.

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.

On balance, I've decided to uphold Mrs M's complaint. I'll explain why.

Because MIVF supplied the car under a hire purchase agreement, it's responsible for a complaint about the quality, and there's an implied term that the car was of satisfactory quality. Cars are of satisfactory quality if they are of a standard that a reasonable person would expect, taking into account all of the relevant circumstances such as (amongst other things) the age and mileage of the car and the price paid. When considering satisfactory quality, I also need to look at whether the car is durable – that is, the components within the car must be durable and last a reasonable amount of time.

In this case, the car was about two and a half years old, and had a mileage of 16,329, so would have incurred some wear and tear before it was supplied to Mrs M.

I've taken account of the relevant law, in particular the Consumer Rights Act 2015, ("CRA"). There are certain times, set out in the CRA, when a consumer is entitled to reject goods, in this case the car, if they don't conform to contract – a short term right to reject within 30 days of taking delivery, or a final right to reject if a repair or replacement hasn't resulted in the car subsequently conforming – that is, it then being of satisfactory quality.

Here Mrs M is asking for the repair to be done at no cost to her.

The central issue in this complaint is the failure of the wet belt (also called the timing belt) and whether this was the result of the part not being durable and not lasting for its expected lifespan, or alternatively the result of normal wear and tear. Mrs M feels it's the former, whereas MIVF has said that there's not enough evidence to reach that conclusion.

Mrs M told us she has a disability, and needed the car, and so she had the timing belt replaced in June 2023 (at a cost of £716.44) having been unable to use the car since the breakdown on 19 April. I have a copy of the invoice for this.

This is not an easy case to decide - as the repair has been carried out, it's no longer possible to obtain an independent inspection to get an opinion on the cause of the failure of the timing belt. So I need to base my decision on the information available to me –MIVF's submissions, the service history of the car, RAC report and a picture of the worn belt, as provided by Mrs M, and information from Vauxhall and online resources covering the expected lifespan of the timing belt. At the point the car broke down, it was four and a half years old, and had a mileage of 32,395.

Our investigator thought that, based on her online research, which gave a much higher mileage for an expected replacement of the timing belt, the belt in Mrs M's car had failed prematurely. Therefore it was not sufficiently durable, meaning that the car had not been of satisfactory quality at the point of sale. MIVF did not agree, arguing that the online sources also showed a timescale of about five years – and Mrs M's car was nearly that old.

MIVF quoted a range of online sources relating to car repairs - I haven't listed them all here but I have looked carefully at all of them. In summary, there is a mileage range of around 40,000 to 100,000 for replacement of the timing belt, and some refer to timescales of four to five years. However these sources are not referring to the make and model of Mrs M's car – they are general estimates. MIVF did note that one source *did* refer to the make and model of Mrs M's car – its website said *"As a general rule, the lifetime of the timing belt oscillates between 37,280 mi and 99,420 mi or 5 years, whichever comes first. Check the owner's manual of your Grandland X to know the exact data of your car."*

MIVF also said that there is a good degree of variability as to how long a belt might last (whether in terms of age or mileage) and different external factors (i.e. not inherent on manufacture) are likely to affect this.

MIVF further referred to the manufacturer's servicing requirements, noting that when Mrs M had the car serviced it was by a small company that was not a Vauxhall main dealer, so there was no information on what had been checked.

I've looked at the owner's manual for Mrs M's car, which is available online, but it contains no reference to the replacement of the timing belt. I should also say that I can see no requirement that servicing is carried out by a Vauxhall dealership, and Mrs M has had the car serviced in line with the timing and mileage recommendations in the manual.

Our investigator contacted Vauxhall, and provided the vehicle registration so that its representative could identify the correct model. Vauxhall said that, for this particular model,

the first time the belt should be changed is either at 64,000 miles or six years, whichever comes first. It should be changed again at 128,000 miles or at 12 years.

I've considered all of the information very carefully, but most of it is quite general. I consider that I should place most weight on the information provided directly from the manufacturer, Vauxhall, which is specific to the model of Mrs M's car, and which indicates that the timing belt should reasonably have lasted some 18 months longer than it did.

So for that reason, on balance I think it's more likely than not that the timing belt was not sufficiently durable, meaning that the car was not of satisfactory quality when Mrs M acquired it. So I've decided to uphold Mrs M's complaint. I consider it fair for MIVF to cover the cost of the repair, and to compensate Mrs M for the period during which she was unable to use the car, as set out below.

Putting things right

MIVF should:

- refund to Mrs M the cost of the replacement of the timing belt (£716.44);
- refund to Mrs M the payments made under the hire purchase contract during the period she was unable to use the car, this being 19 April to 24 June 2023;
- pay 8% simple yearly interest* on all refunded amounts from the date of payment to the date of settlement.

*if MIVF considers that it is required by HM Revenue & Customs to withhold income tax from that interest, it should tell Mrs M how much it's taken off. It should also give Mrs M a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

My final decision

For the reasons given above, I have decided to uphold Mrs M's complaint. MI Vehicle Finance Limited should pay Mrs M the compensation I've described.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 24 November 2023.

Jan Ferrari
Ombudsman