

## **The complaint**

Mr W complains about the quality of a car he acquired under a hire purchase agreement ("agreement") with Oodle Financial Services Limited ("Oodle").

## **What happened**

On 12 August 2022 Mr W entered into an agreement with Oodle for a 9 year old car, with 95,000 miles on the odometer, costing £16,750. Under the terms of the agreement, everything else being equal, Mr W undertook to make a deposit payment of £500 followed by 1 monthly payment of £443.25, 58 monthly payments of £393.25 and 1 monthly payment of £443.24 making a total repayable of £24,195 at an APR of 17.2%.

The day prior to Mr W taking delivery of the car (11 August 2022) it underwent a health check. The odometer reading on this date was 94,985 miles.

On 23 August 2022 Mr W paid for two new tyres to be fitted to the car. The odometer reading on this date was 95,607 miles.

On 30 August 2022 Mr W contacted the supplying dealership to say that the engine was rattling and he had been quoted £5,500 for a repair.

On 5 November 2022 Mr W was advised by a garage that the car shouldn't be driven.

On 14 November 2022 Mr W complained to Oodle about the quality of the car he had been sold. This included a complaint about a number of bodywork issues (including a poor headlight repair) and issues with the engine (including the cooling system).

On 16 December 2022 the car was collected by the supplying dealership for inspection. The odometer reading on this date was 96,505 miles.

On 4 April 2023 the car underwent an inspection by an engineering company that I will call S. The odometer reading on this date was 96,504 miles.

On 13 April 2023 S provided Oodle with a report following its inspection of the car on 4 April 2022.

On 20 June 2023 S expanded on its 13 April 2023 report.

On 22 June 2023 Mr W referred his complaint to our service for investigation.

On 27 June 2023 Oodle issued Mr W with a final response letter ("FRL"). Under cover of this FRL Oodle said it didn't accept responsibility for the bodywork issues but it accepted some responsibility for the engine issue. And in respect of the latter it was prepared to pay 50% of any required repair.

On 22 September 2023 one of our investigators, having considered everything Mr W and Oodle had said and submitted, came to the view that Oodles offer to pay 50% of any engine repair was both fair and reasonable.

Mr W didn't agree with the investigator's view so his complaint has been passed to me for review and 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.

Having done so I can confirm that I've come to the same overall outcome as the investigator and for broadly the same reasons.

First, I would like to point out 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.

Secondly, I would add that where the information I've got is incomplete, unclear or contradictory, I've to base my decision on the balance of probabilities.

The agreement in this case is a regulated consumer credit agreement. As such, this service is able to consider complaints relating to it. Oodle is also the supplier of the goods under this type of agreement, and responsible for a complaint about their quality.

The Consumer Rights Act 2015 ("CRA") is of particular relevance to this complaint. It says that under a contract to supply goods, there is an implied term that "the quality of the goods is satisfactory".

The CRA says the quality of goods are 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. So it seems likely that in a case involving a car, the other relevant circumstances a court would take into account might include things like the age and mileage at the time of sale and the vehicle's history.

The CRA says the quality of the goods includes their general state and condition and other things like their fitness for purpose, appearance and finish, freedom from minor defects, safety, and durability can be aspects of the quality of goods.

Oodle supplied Mr W with a used car in August 2022. Here I note the car had travelled 95,000 miles and was 9 years old when sold. So it's fair to say that the reasonable person would accept that it's likely to require more repairs and maintenance than a newer, less road worn car. The price agreed for the car was £16,750 which would be much less than the new price.

is there something wrong with the car?

The first thing I need to decide is whether there is something wrong with the car. And I'm satisfied that there is in respect of both the bodywork and the engine. But that doesn't mean that Mr W's complaint should be upheld or that Oodle need to do anything to compensate Mr W. This is because I also need to decide whether what is wrong with the car now was present or developing when sold.

was there something wrong with the car when sold?

In deciding this point I can confirm that I find the report produced by S dated 13 April 2023, its expansion on this report on 20 June 2023, and the evidence provided by Oodle about the quality and condition of the car's bodywork immediately before sale to be very persuasive.

*bodywork*

In respect of the bodywork S, in its 13 April 2023 report, concluded that recent repairs had been undertaken to the car that although enough to return the car to a "road legal condition" weren't completed to "manufacturer's standards". But S wasn't able to conclude when these repairs were likely to have been undertaken, for example before the car was sold or afterwards.

However, in its 20 June 2023 report expansion, S concluded that it was satisfied that more likely than not the bodywork issues weren't present when the car was sold.

I appreciate Mr W says he has never been involved in a "frontal accident". But having considered what S has said on this point and having compared the pictures taken by S at the time of its inspection and those taken by the supplying dealership immediately prior to sale, regard to the fact that the car had a 'health check' immediately prior to Mr W taking delivery of it and regard to the time taken by Mr W to raise his concerns in this respect I can confirm that I'm satisfied that more likely than not the bodywork damage occurred after Mr W took delivery of the car. And because of my view in this respect it follows I can't hold Oodle responsible for this damage or liable for the cost of repairing it.

*engine*

In respect of the engine S concluded that more likely than not there were issues with it, either present or developing, at the point of sale and these issues made the car, at the time of sale, of unsatisfactory quality, a position I agree with. But S added that the issue with the engine now is worse because Mr W continued driving the car when he knew, or ought to have known, he shouldn't do. And because of this Oodle should meet 50% of any cost in repairing the engine rather than 100% of it.

I've considered what both parties have said and submitted on this point and I'm satisfied that Mr W did indeed continue driving the car when he knew, or should have known, he shouldn't do. And in coming to this finding I've had regard to the fact that on 30 August 2022 Mr W contacted the supplying dealership to say that the engine was rattling and he had been quoted £5,500 for a repair (when the odometer reading stood at approximately 95,600 miles) and that Mr W had no further contact with the supplying dealership until mid-December 2022 when the odometer reading stood at approximately 96,500 miles.

As I say above I'm satisfied Mr W was indeed sold a car that was of unsatisfactory quality because of an issue that was present or developing at the time of sale with the engine. But equally I think Mr W is responsible for some of the current damage to the engine and Oodle shouldn't have to pay the full cost of a repair, this being what I would normally find should happen. Instead, and having considered everything very carefully, I'm satisfied that Oodle should have to pay 50% of the cost of any engine repair, in line with what S found should happen and which Oodle has already agreed to do.

### **My final decision**

My final decision is that having agreed to meet 50% of any required engine repair cost, Oodle Financial Services Limited need do nothing more.

My final decision concludes this service's consideration of this complaint, which means I'll not be engaging in any further discussion of the merits of it.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 30 March 2024.

Peter Cook  
**Ombudsman**