

The complaint

Mr M complains about a car he got on finance through Secure Trust Bank Plc trading as V12 Vehicle Finance ('V12').

What happened

The parties are familiar with the background of this complaint – so I will simply summarise it here.

Mr M was supplied a car by V12 on hire purchase in November 2022. However, he said that he had intermittent issues with starting the car because of the steering lock and the steering was stiff. He said this became a major issue in May 2023 and a fault with the steering lock was identified.

Mr M complains to V12 that the car is not of satisfactory quality – and he wants it to pay for his repair costs to fix the issue with the steering lock (including the £240 cost to have the car re-coded so he could start it).

V12 commissioned an expert report – and did not agree to pay for the repairs based on the cause of the failure being due to general wear and tear. Mr M brought his complaint about the car to this service.

Our investigator did not uphold the complaint. Mr M has asked for an ombudsman to look at things again for a final decision. In summary, he does not agree the fault is general wear and tear and thinks it shows the relevant parts of the car are not of satisfactory quality.

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.

While I might not comment on everything (only what I consider key) this is not meant as a discourtesy to either party – it reflects my role resolving disputes informally.

In considering what is fair and reasonable, I need to have regard to the relevant law and regulations, regulators' rules, guidance and standards, codes of practice and (where appropriate) what I consider to have been good industry practice at the relevant time.

The agreement in this case is a regulated consumer credit agreement. As such, this service is able to consider complaints relating to it. V12 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 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 Consumer Rights Act 2015 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 Consumer Rights Act 2015 ('CRA' from now on) 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.

V12 supplied Mr M with a second-hand car that was about 8 years old at the point of supply and with almost 50,000 miles on the odometer. Mr M also agreed a purchase price less than the new price of a car like this. It is fair to say that a reasonable person would expect such a car to have suffered notable wear and tear, and would certainly be less durable and more at risk of possibly costly repairs and maintenance.

I know Mr M has described problems he had with the car steering lock and I can see these were identified in a job sheet from the end of May 2003. However I also note that this was almost 6 months after Mr M took supply of the car and after he had completed in excess of an additional 8,000 miles. The significant use of the car since purchase, not just in time, but in miles travelled (roughly equivalent to an average annual mileage) also means that any faults occurring later are more likely to be viewed as fair wear and tear as opposed to an inherent fault or lack of durability.

I am not an expert, and I note here that we have the benefit of a report carried out by an expert. The report appears credible to me and is sufficiently detailed. It includes a statement of truth and explanation of the engineers credentials. It concludes the problem is with the steering lock actuator module. It also concludes the evidence indicates this is not an issue which was present at the point of purchase and not the responsibility of V12 to rectify.

I think the expert report is persuasive in showing the issue is likely not something that would render the car of unsatisfactory quality and is more likely down to reasonably expected wear and tear. I know Mr M has pointed to the expert saying that apart from the steering issue the overall condition of the car is acceptable for its age and mileage. But I don't think this is the same as saying that the car was likely not sold in an acceptable condition. Furthermore, I think the report is quite clear in other parts that the evidence points to the fault being something that the seller is not responsible for fixing.

The report acknowledges Mr M has claimed the problems with the steering lock started much closer to the date he was supplied the car. And that the outcome might be different if that were the case. However, it says that there is not evidence that he raised issues (prior to May 2023) with the dealer or V12. While I have considered Mr M's testimony I also do not see persuasive evidence that he did raise this to V12 or the dealer sooner as I would have expected him to have done. I note V12's contact notes show that when Mr M first contacted it about the steering issue he doesn't appear to mention that he has had ongoing problems.

It also appears Mr M had contacted V12 previously about some other repairs to the car which the dealership reimbursed Mr M for. Had he been suffering steering issues at the time I would have expected him to have mentioned these then. However, he doesn't appear to have while the issues raised at the time appear unrelated. So I don't think there is persuasive evidence that the steering issues occurred prior to May 2023. And while I can see the car has suffered previous problems I don't find that this in itself allows me to fairly conclude the steering issue occurring later on renders the car of unsatisfactory quality.

I also note Mr M has indicated that it would not be expected for a steering lock to fail when it did and this indicates the design quality is poor or substandard. I acknowledge that durability of parts is a factor in any finding of satisfactory quality. However, there are many variables when buying a second-hand car of this age to consider including particular use which might accelerate wear. Furthermore, it is difficult for me as a non-expert to go against the report here unless there is some persuasive evidence to indicate otherwise. And while I know Mr M has referred to the CRA's 'burden of proof' being on V12 to show the defect was not at the point of sale I think the expert report, along with the particular circumstances here (including the age and mileage of the car and particular use of the car before failure of the actuator) is sufficient for V12 not to be expected to do more to make its case.

I remind Mr M that my role is to resolve disputes informally. He is free to reject my decision and choose to pursue this matter in court if he considers this the right course of action (taking into account any appropriate legal advice he might wish to seek).

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 24 May 2024.

Mark Lancod
Ombudsman