

## **The complaint**

Mr S complains that First Response Finance Ltd supplied him with a car under a hire purchase agreement which was of unsatisfactory quality.

## **What happened**

In September 2022, Mr S acquired a used car under a hire purchase agreement from First Response. The cash price of the car was £8,500. The car was around 8 years old and had travelled around 94,000 miles.

In December 2022, Mr S notified First Response that there was an issue with the car. He said that the oil warning light had come on and that it had used up oil more quickly than it should have. The supplying dealership said it couldn't locate any fault with the car and that Mr S had travelled around 6,500 miles since taking possession of the car.

First Response sought advice from an independent inspector and a specialist which both stated that the oil consumption on the car was within acceptable standards for this model of car of this age and mileage. Mr S took the car to another garage which concluded the oil consumption was excessive but could not locate the root cause of the problem.

The garage suggested some remedial work which might fix the issues. First Response agreed to cover these costs as a gesture of goodwill. The final work cost around £1,700. Following this work being completed Mr S reported that the issue had not been fixed and that new issues concerning different leaks had appeared. Mr S asked to reject the car due to the problems he'd faced.

First Response didn't agree to that request. It said that it wasn't responsible for putting right the faults with the car as there wasn't anything to indicate the car wasn't of satisfactory quality when it was supplied.

Our investigator didn't recommend the complaint be upheld. She didn't think there was sufficient evidence to suggest the car was of unsatisfactory quality when it was supplied. She considered First Response had already responded fairly to Mr S' complaint.

As Mr S didn't accept that outcome, the complaint has been passed to me for a final 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.

Mr S acquired the car under a hire purchase agreement. Our service is able to consider complaints relating to these sorts of regulated consumer credit agreements.

The Consumer Rights Act 2015 ("CRA") covers agreements like the one Mr S entered into. The CRA implies terms into the agreement that the goods that are supplied are of satisfactory quality. First Response is the "trader" for the purposes of the CRA and is

responsible for dealing with a complaint about the quality of the car that was supplied.

The CRA says that the quality of the goods is satisfactory if they meet the standard a reasonable person would consider satisfactory – taking into account the description of the goods, the price and all other relevant circumstances. For this case, I think the other relevant circumstances include the age and mileage of the car at the point of supply.

In this case, the car supplied was used, around 8 years old and had covered around 94,000 miles when Mr S took possession of it. It had a cash price of £8,500. What would be considered satisfactory would therefore be considerably different to if Mr S had acquired the same car brand new and at a greater cost.

When Mr S first reported the oil consumption issue, he had covered around 6,500 miles in the car. While it had only been a few months, Mr S had travelled significantly above average mileage in that time.

I note that nobody has been able to pinpoint what the cause of the issue is. Further, two independent sources have stated that they don't consider the oil consumption rate to be excessive, taking into account the age and mileage of the car.

Given how old the car was when it had been supplied and how far it had already travelled, as well as how much mileage Mr S had been able to cover before any issue materialised, I'm satisfied there is insufficient evidence to demonstrate that the car was of unsatisfactory quality when it was supplied.

No cause for any fault has been located, there is conflicting evidence as to whether there even is a fault, and it appears to be just as likely that any oil consumption issues could have been due to normal age related wear and tear in the car.

While further faults have since been reported with the car, these only materialised after Mr S arranged for a garage to try and replace certain components in the car. I've not been presented with any persuasive evidence to demonstrate the current faults were likely present or developing at the point the car was supplied to Mr S.

Taking all of this into consideration, I think First Response has acted fairly and reasonably towards Mr S by agreeing to cover previous repair costs and an inspection fee that Mr S incurred. This is because I don't think that it was required to do either of these things as there is insufficient evidence to suggest it was responsible for putting right the reported problems with the car. I realise this will come as a disappointment to Mr S, but I don't think First Response needs to do anything further.

### **My final decision**

For the reasons given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 26 February 2024.

Tero Hiltunen  
**Ombudsman**