

## **The complaint**

Mr Y complains that a car acquired with finance from Oodle Financial Services Limited (OFS) wasn't of satisfactory quality.

## **What happened**

In August 2022 Mr Y was supplied with a car and entered into a hire purchase agreement with OFS.

In November 2022 the engine failed, and the car was recovered to the supplying dealer.

Mr Y reported the issue to OFS who arranged an independent inspection of the car. the report concluded that the engine had failed due to holing on the cylinder block as a result of oil deterioration or hydraulic lock.

OFS upheld Mr Y's complaint. It said it would cover the costs of repairs.

Mr Y raised a further complaint in January 2023. He said not all of the agreed repairs had been completed. OFS offered to allow Mr Y to reject the car but he declined. A further independent inspection was carried out in January 2023. The report concluded that there were issues with the car keys, the reversing camera and the multimedia unit.

Further correspondence passed between Mr Y and OFS in relation to the repairs and Mr Y reported concerns that the cars brake horsepower wasn't performing as advertised and that the car had lost performance since the repairs were carried out. OFS asked Mr Y to provide estimates for repair costs but later said these were excessive and offered to allow Mr Y to reject the car, which he declined. As an alternative, OFS offered to pay £1000 towards the repairs.

Mr Y remained unhappy and complained to this service.

I issued a provisional decision in which I upheld the complaint. I said there was no dispute between the parties that the car wasn't of satisfactory quality when supplied, and that the attempts at repairs appeared to have resulted in a new issue with a loss of power. I said that both parties had agreed that rejection was the appropriate remedy and the issue to determine was what was a fair and reasonable resolution within the context of a rejection.

I explained that when a car is rejected, I'd expect the business to refund the deposit and refund all monthly rentals less a deduction for fair usage. I said that because Mr Y had covered around 9000 miles in the car, I thought it was fair to make a deduction for fair usage. I said that OFS should refund all monthly rentals save for 9 of these to reflect fair usage.

I looked at the impact that the issues with the car had on Mr Y and said it was fair to ask OFS to pay compensation of £200.

I invited both parties to let me have any further evidence or arguments they wished to raise.

OFS responded and said it accepted my provisional decision.

Mr Y responded and made the point that the sat nav, the reversing camera and the multimedia system in the car have remained non-operational since the point of supply. He said he'd elected not to reject the car when OFS had previously offered this because of concerns about the impact this would have on his work, and his ability to obtain another vehicle. Mr Y said it had caused him frustration when the issues with the car weren't addressed or rectified, and he was disappointed that the matter had taken so long to resolve. Mr Y asked me to consider these points when reaching my 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.

I've taken on board all of the points that Mr Y has made, and I'm satisfied that the remedy outlined in my provisional decision addresses these. I remain of the view that the fairest way to resolve this complaint is for OFS to implement the redress set out in my provisional decision.

### **Putting things right**

To put things right Oodle Financial Services Limited must:

End the agreement with nothing further to pay

Arrange for the car to be collected at no cost to Mr Y

Refund the deposit of £500

Refund all rentals paid by Mr Y except for 9 x rentals which may be retained by Oodle to reflect fair usage

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

Pay compensation of £200 for distress and inconvenience

Remove any adverse information from Mr Y's credit file in relation to the agreement

### **My final decision**

My final decision is that I uphold the complaint. Oodle Financial Services Limited must take the steps I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr Y to accept or reject my decision before 4 January 2024.

Emma Davy  
**Ombudsman**