

## **The complaint**

Mr A complains about the quality of a van supplied to him by Oodle Financial Services Limited trading as Oodle Car Finance ("Oodle").

## **What happened**

Mr A acquired a used van under a hire purchase agreement with Oodle in July 2022. The van cost £14,299. Under the agreement, Mr A was required to make two monthly payments of £443.70 and 58 monthly payments of £393.70. At the time of supply, the van was around five years old. The van was supplied by a garage I'll refer to as "D" and the mileage on D's invoice was listed at 100,797.

One week later, Mr A said the van was returned to D to have the timing belt replaced. This was pre-agreed and listed on the sales invoice. A job card for the repair shows the water pump was also replaced.

Mr A contacted Oodle in late July 2022 and asked about his right to withdraw from the finance agreement. Oodle said if Mr A wanted to withdraw, he would need to let it know within 14 days and pay the total finance amount within 30 days. Mr A told Oodle he would return the van to D and that D would need to return the funds to Oodle. He mentioned the van had continued intermittent warning lights appearing on the dashboard.

D asked Mr A to contact it if there were warning lights appearing in the van. Mr A said he didn't need a reason to reject the van within the cooling off period and he said there was an ongoing fault with the engine, the catalytic converter and the heater support pump, amongst other issues. D said it had tried to contact Mr A without success and asked Mr A to contact it. D said it had no evidence the van was faulty or any evidence of the warning lights. Mr A said the van was leaking coolant and sent D a diagnostic report. D said the diagnostic report Mr A sent wasn't clear and there were no details of the garage carrying it out. D said it had concerns of the report being genuine and so, it wasn't acceptable. Mr A said he would take the van to a manufacturer garage and D could pay for the cost of a diagnostic. D asked Mr A to bring the van to it. But Mr A refused and said D's mechanics were incompetent. In the meantime, Mr A also complained to Oodle and said he wanted to reject the van.

Oodle issued its response to Mr A's complaint in October 2022. It said D should have an opportunity to look at the van to review Mr A's concerns. Oodle also said it tried to call Mr A twice to book an independent inspection, but the calls were terminated. It also sent a follow up email. It said it couldn't uphold the complaint, as it couldn't determine whether the issues mentioned were present or developing at the point of supply. Mr A said no one had contacted him and he had already withdrawn from the finance agreement.

Unhappy with this, Mr A referred his complaint to this service and said he thought the van supplied to him by Oodle was of unsatisfactory quality. He said he wanted to return the van and have his credit file amended.

Oodle considered Mr A's complaint again in February 2023, as Mr A made a further complaint to it in January 2023. It said it had tried to instruct an independent inspection company to inspect the van, but it had struggled to arrange a suitable time with Mr A on a number of occasions. It said it had made reasonable attempts to arrange an independent inspection, but had been unable to do this.

In April 2023, Mr A provided this service a report from a company I'll refer to as "T". The report said there was an issue with the catalytic converter and a previous remap of the van would have caused this fault. T's report said the van's wheel arch trim was missing a number of fixings and cable ties had been used to secure part of the liner. T said this would have taken place when the timing belt was replaced. T also said the van displayed a number of warnings for different lamps and LED lights could cause lamp warnings, but all lamps were operating correctly. T said there was an issue with the body control module or corrosion on the lamp connections and fault codes showed these were present before the van was supplied to Mr A. It also said no fluid leaks were found but there was remnants of an oil and coolant leak on the underbody of the engine.

Our investigator looked into the complaint and didn't think the van was of satisfactory quality when it was supplied. She said she was persuaded there was an issue with the catalytic converter, the repairs to the wheel arch lining weren't in line with the manufacturer's recommendations and there was a fault with the LED lights. She also said there was evidence of a fuel leak. Our investigator said given Mr A had travelled a small amount, she was persuaded that most of the issues identified were present at the point the van was supplied to Mr A. She said Mr A should be entitled to reject the van and that Oodle should pay Mr A 10% per monthly instalment since July 2022 for his impaired usage, reimburse Mr A for any reports obtained and amend Mr A's credit file.

Oodle said Mr A hadn't ever made a payment towards the agreement and so, it shouldn't be expected to reimburse Mr A for any of the costs incurred. It said Mr A was in breach of his agreement by not making the required payments and Mr A was liable for his use of the van and any damage caused. Oodle also highlighted a discrepancy within T's report.

Our investigator said if her recommendations resulted in Mr A owing money to Oodle, she would expect that Oodle should arrange an affordable repayment plan with Mr A.

In the meantime, Mr A arranged an independent inspection through Oodle's preferred inspection company. I'll refer to this company as "F". However, Mr A said the inspector didn't turn up at the arranged time.

Oodle also contacted this service to say it had liaised with T to obtain further information about its report. Oodle told this service it was concerned with the legitimacy of the report and provided evidence from T to show this.

Our investigator reviewed the complaint again. She said she no longer thought it was fair to rely on T's independent report. And so, she didn't think Mr A's complaint should be upheld.

Mr A disagreed. He obtained an alternative report from a different independent inspection firm I'll refer to as "G" in August 2023. At the time the report was completed, the mileage of the van was 101,931 miles. G's report said the engine oil was low, there was an oil leak from the timing chain area which could indicate a potential major problem, all four brake discs had excessive wear, the front brake pads had excessive wear, the air conditioning was poor in operation, the AdBlue and engine management lights were illuminated and it mentioned other non-major damage to the van.

Mr A said he exercised his short term right to reject the van within 30 days of it being supplied to him. He said he was told the van had a full service history and the van went back to D to have the timing belt replaced. He said there was no documented evidence this was completed though. Mr A said this many faults shouldn't appear within 13 days of him having the van and the report from G showed the faults he had originally complained about.

Our investigator reviewed the new information and complaint again. She said G's report supported her initial findings of the complaint and she said Mr A should be able to reject the van. Our investigator recommended that Mr A paid around 26.5% of his monthly rentals over 14 months, given the little mileage Mr A had covered. She also recommended Oodle paid

Mr A £300 compensation for the distress and inconvenience caused and that Oodle should remove any adverse information reported to any credit reference agencies.

Oodle said G's report also noted that the van had been damaged since Mr A acquired it. It asked whether D could collect the van, price up the cost of damage and the full cost of usage before it accepted our investigator's findings.

Our investigator disagreed. She said she'd taken into account the length of time that had passed, that Mr A had been unable to arrange a report through F and she didn't think D would be best placed to carry out a damage inspection.

Oodle said it had tried to resolve the complaint quickly for Mr A. It said D offered to review the van within 30 days, but Mr A refused. It said Mr A told it that he didn't have any arrears under the agreement as he had rejected the van and neither did he answer numerous calls it had attempted to make. It said F had numerous problems trying to arrange an inspection and so had Oodle. It said a report Mr A provided wasn't genuine and whilst it wasn't disputing the report from G, it said it would be fair for it to inspect the van to confirm the issues were present. It said G's report confirmed Mr A caused damage to the van. It said if it removed adverse information from Mr A's credit report, all repercussions for Mr A would have already been removed. Oodle said it proposed that all costs, including damages, should be discussed and accepted by Mr A, before it agreed to end the agreement.

Our investigator said she didn't think D should carry out the inspection and instead if Oodle was prepared to instruct an independent party, this would be acceptable. Oodle agreed and instructed a company I'll refer to as "S".

S's independent report confirmed there were a number of fault codes recorded for the van. It said the oil level was adequate and there was no major oil leaks. Oodle said given the contents of this report, it didn't accept that there was an oil leak or that there were any current faults with the van.

Our investigator said S's report didn't change her recommendations. She also said the mileage quoted in the final response letter was 101,800 at the time of supply. So, she said Mr A had only covered 448 miles in the van since he acquired it. She said a number of issues had been identified with the van shortly after it was supplied to Mr A and so, it was likely the van wasn't of satisfactory quality at the point it was supplied to Mr A.

Oodle disputed our investigator's findings and said S had confirmed there was no oil leak and so, none of the major faults listed in the reports Mr A obtained had been verified.

As Oodle remains in disagreement, the complaint has been passed to me to decide.

### **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.

Where evidence is incomplete, inconsistent or contradictory, I reach my view on the balance of probabilities – in other words, what I consider most likely to have happened in light of the available evidence and wider circumstances.

I've read and considered the whole file and acknowledge that Mr A has raised a number of different complaint points. I've concentrated 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. The rules of this service allow me to do this.

What I need to decide in this case is whether the van supplied to Mr A was of satisfactory quality. If I don't think it was, I'll need to think what's fair, if anything, to put things right.

The finance agreement in this case is a regulated hire purchase agreement. So our service is able to consider complaints relating to it. Oodle is the supplier of the van under this type of agreement and so, is responsible for dealing with a complaint about its quality.

The Consumer Rights Act 2015 ("CRA") covers hire purchase agreements. Under a hire purchase agreement, there are implied conditions that the goods supplied will be of satisfactory quality.

Mr A acquired a van that was used – so there would be different expectations compared to a new van. Having said that, the van's condition at the point of supply, should have met the standard a reasonable person would consider satisfactory, taking into account its age, mileage and price. The CRA says the aspects of the quality of the goods includes their general state and condition alongside other things such as their fitness for purpose, appearance and finish, freedom from minor defects, safety, and durability.

Following a pre-agreed replacement of the timing belt and the water pump, Mr A says he noticed intermittent warning lights on the van's dashboard. However, due to a breakdown in the relationship between Mr A and D, this wasn't investigated at the time.

In this case, a number of different independent reports have been obtained. Some of these reports are conflicting. So, I've thought about what I think is most persuasive, on a balance of probabilities.

I've reviewed T's report that was supplied in April 2023 and the comments obtained by both our investigator and Oodle from T about the report. Having done so, I don't think it is a persuasive report and so, I've not considered the contents of it.

I've reviewed two diagnostic reports that were provided by Mr A to this service in May 2023. These are from July and August 2022. These both confirm there is a catalytic converter issue and that there are issues with the left parking light and numberplate bulb. One of the reports also mentions the AdBlue system isn't functioning correctly and that there is an issue with the heater support pump.

G's report in August 2023, confirmed the mileage was 101,931. So the van had covered around 1,100 miles in the 13 months Mr A was in possession of it. G's report supports the diagnostic reports, as it confirmed the AdBlue and engine management lights were illuminated. It also mentioned the issues with the lights. It didn't mention an issue with the catalytic converter. However, it did make a note of an oil leak from the timing chain area and some issues I consider to be wear and tear, such as the brakes. It mentioned the van had damage to the exterior, but it's unclear how this damage happened or whether it was present at the point the van was supplied to Mr A.

S's independent report in November 2023, recorded the mileage as 102,248 miles. This means Mr A was able to travel around 1,450 miles in the van. S's report highlighted that there was an engine fault, there were issues with the NOx sensor supply, a drivetrain fault and the heater support pump was blocked. It also noted that the AdBlue and engine warning lights were illuminated. It noted there were no engine leaks or coolant leaks and said there was no obvious panel damage.

From these various reports, there are a few issues which have been mentioned a couple of times by different independent inspectors or by the diagnostic reports. There have been mentions of the issues with the parking lights and the numberplate bulbs. However, I don't consider the issues with the lights to be a fault. This is because on D's job card for the timing belt and water pump repair, it states, "*Advise to change LED bulbs*". So I think Mr A would have been reasonably aware that he was required to change the bulbs and I also consider that given the age and mileage of the van, an issue with the lights is a wear and tear issue, as these are serviceable items. I also don't consider there are faults with the engine oil or coolant, as S's report showed pictures which don't show any leaks.

The faults that I consider are consistent across the various bits of supporting information supplied to me are the issues with the catalytic converter, the AdBlue and the engine management lights. So these are the faults I will focus on.

Having carefully considered these issues, I'm satisfied the van supplied to Mr A had faults. I say this because the identified issues have been consistently mentioned by Mr A since the van was supplied to him. I now need to consider whether these faults make the van of unsatisfactory quality.

Mr A only used the van for around 100 miles at the time of the timing belt replacement and water pump replacement. It was shortly after this, and within 30 days of being supplied the van, that Mr A complained about the engine management lights, the AdBlue and the catalytic converter.

I've thought carefully about whether I think it is reasonable for the AdBlue light to appear on the van so soon after Mr A acquired it. Having done so, I consider the AdBlue to be a serviceable item that will require refilling. So, despite the AdBlue light illuminating relatively quickly after Mr A was supplied the van, considering the age, mileage and price of the van, I don't consider that this issue makes the van of unsatisfactory quality.

The issue reported with the catalytic converter was that it was making the van sluggish. The diagnostic report from August 2022 mentions the catalytic converter is operating below its threshold – *"performance issues noted as a result of this"*. And the report carried out by S mentions fault codes with the NOx sensor, which could also be related to the catalytic converter.

The engine management light was illuminated within 14 days of the van being supplied to Mr A. This is an issue that has been picked up over every independent report and the diagnostic reports. There is photographic evidence to show the light being illuminated too and various fault codes listed to support this. I consider that this fault makes the van of unsatisfactory quality, alongside the issue with the catalytic converter.

I say this having considered that the van had high mileage and that it was around five years old at the time of supply. But I don't consider that these issues should have presented themselves within 14 days of Mr A acquiring the van. It's clear to me that these faults were present or developing at the point the van was supplied to Mr A and so, I'm satisfied that these faults made the van of unsatisfactory quality. I don't consider that a reasonable person would consider a van satisfactory, given these issues presented themselves as soon as they did. I also note that Mr A only travelled around 1,450 miles in the van over 16 months until the report was completed by S. So, I don't consider that Mr A caused any of the issues or that he contributed to the issues that occurred shortly after he acquired the van.

I've gone on to think about what Oodle needs to do to put things right.

Mr A complained about the faults with the van within 14 days of it being supplied to him. I'm satisfied Mr A was within his rights to reject the van at this point, given I think the faults complained about made the van of unsatisfactory quality. So Oodle need to arrange to collect the van at no further cost to Mr A. It should also end Mr A's hire purchase agreement.

I've already explained that Mr A has covered a small amount of mileage in the time he had the van. Our investigator suggested that Mr A should pay around 26.5% of his monthly rentals. In this case, I think this is an appropriate way to put things right. I say this because Mr A has been able to use the van and so, he needs to pay for fair use of the van. However, I also recognise that Mr A didn't take the van back to D for diagnosis after he reported the issues and there have been ongoing issues with the validity of independent reports/diagnostics and attempts to book independent inspections. So, I agree with our investigator that in this case, Mr A should pay a proportion of the monthly cost, which is 26.5%, to represent fair use of the van.

Oodle has told this service that Mr A hasn't made any payments towards his agreement. Oodle has an obligation to treat Mr A with forbearance and due consideration if he is currently in financial difficulties. If this is the case, Oodle should liaise with Mr A to come to an affordable repayment plan, so he can pay for his use of the van. Once Mr A has made the final payment under this repayment plan, Oodle should remove any adverse information it has reported to credit reference agencies about Mr A's hire purchase agreement.

Mr A obtained an independent report from G and has provided supporting information to show the cost of this report was £362 in August 2023. Oodle should refund this amount to Mr A with applicable interest.

I also acknowledge that Mr A has had a number of issues with the van since acquiring it. I can see that he complained within 14 days to D and complained to Oodle on a number of occasions. He sought to reject the van and notified Oodle of this. Unfortunately, an independent report couldn't be booked on behalf of Oodle early on. I've seen conflicting version of events from both Oodle and Mr A about why this happened. I've seen text messages from the independent inspector cancelling appointments with Mr A which had been booked. Mr A took time out to be available for these appointments, which didn't go ahead, due to no fault of his own. Mr A has also said he has lost work as a result of the faults with the van and it has caused him stress. I can also see that Mr A has gone to considerable efforts to try and resolve the situation.

Having considered the impact Mr A has detailed, I'm persuaded he was caused distress and inconvenience as a result of the faults with the van. And so, Oodle should pay Mr A £300 to reflect the distress and inconvenience caused.

In relation to the damage Oodle has said is present with the van, both G and S's report are conflicting on this. G's report mentions damage and S's report mentions there is no obvious damage. So, it's unclear whether there is damage and whether this has been caused whilst Mr A has been in possession of the van or whether this was caused prior to the van being supplied to Mr A. Should Oodle determine through an independent agency that the damage was caused whilst the van was supplied to Mr A, it will need to pursue this with Mr A in the first instance.

### **My final decision**

My final decision is that I uphold Mr A's complaint. Oodle Financial Services Limited trading as Oodle Car Finance should put things right by doing the following:

- Arrange to collect the van from Mr A at no further cost to him;
- Cancel the hire purchase agreement;
- Charge Mr A 26.5% of the monthly payments only whilst he has had the van and arrange an affordable repayment plan with Mr A to repay this amount;
- Pay Mr A £362 for the independent report cost in August 2023;
- Pay Mr A 8% simple interest on this amount from the date of payment until the date of settlement\*;
- Pay Mr A £300 for the distress and inconvenience caused; and
- Amend any adverse information reported to credit reference agencies about this hire purchase agreement, upon Mr A making all the agreed repayments for fair usage of the van.

\*If Oodle Financial Services Limited trading as Oodle Car Finance considers that it is required by HM Revenue & Customs to withhold income tax from that interest, it should tell Mr A how much it's taken off. It should also give Mr A a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 27 February 2024.

Sonia Ahmed  
**Ombudsman**