

## **The complaint**

Mr K has complained about the quality of a car he acquired under a hire purchase agreement with Oodle Financial Services Limited trading as Oodle Car Finance ("Oodle").

## **What happened**

The circumstances of the complaint are well known so I'm not going to go over everything again in detail. But to summarise, in April 2022 Mr K acquired a used car for £4,000 under a hire purchase agreement with Oodle. The car was around 10 and a half years old, and it had covered around 90,400 miles.

I understand that around a month after Mr K acquired the car, he reported a fault with it. He had a diagnostic report carried out that set out fault codes were present relating to a charging fault. The report recommended the alternator was replaced with a genuine unit. Mr K put in a claim under the warranty that was supplied with the car. And I understand that after some back and forth about what type of part would be used the warranty company agreed to pay for a genuine part in June 2022. I've seen an invoice from June 2022 for around £600 which was to supply and fit the new alternator, clear the fault codes and carry out a road test. Mr K was unhappy he was at a loss and so contacted the broker for assistance. He said he had to make up the difference in what the warranty company had paid compared to the cost of the repair and diagnostics. And that he'd also replaced the battery. I understand the broker eventually agreed to reimburse Mr K. I understand the supplying dealer has gone out of business.

From what I can see, Mr K raised a further complaint about the quality of the car in January 2023. At this point it had covered around 97,000 miles. Mr K contacted the broker, and he also contacted Oodle. Mr K was asked to supply evidence of the faults and show that those faults were present or developing at the point of supply. I understand Oodle sent an initial response to the complaint in February 2023 not upholding it because Mr K hadn't shown the issues were present at the point of supply. Oodle said Mr K explained the battery still wasn't holding charge and there was an engine malfunction. Oodle again requested evidence there was a fault and that it was present at the point of supply or linked to previous repairs, but it didn't think Mr K had demonstrated that.

I understand Mr K wanted to reject the car, and said he'd been asking to do that for a long time. Oodle said in June 2023 it would be willing to arrange an independent report if Mr K would agree, but it said it couldn't come to an agreement with him. So Oodle didn't uphold Mr K's complaint, and he referred it to our service to consider.

Our investigator looked into things, and said the initial fault was reported outside of the first 30 days and that there had been a repair carried out. He said the next time he could see a fault highlighted was in 2023, when the car had been in Mr K's possession for over six months. Our investigator said the onus would be on Mr K to demonstrate there's a fault, and that it was present or developing at the point of supply, but he didn't think he'd seen enough to show that. Our investigator also noted Mr K had covered a few thousand miles in the car and thought it unlikely he'd have been able to do that had the current alleged fault been present at the point of supply, given the car's age and mileage. So our investigator didn't uphold the complaint.

Mr K didn't agree. He said a complaint was opened and closed by accident which is why the time went over six months. He said he covered miles as he had no other transport, and no one allowed him to reject the car. He also reiterated the car wasn't properly fixed in June 2022; it only had the alternator replaced. He said there was no diagnostics carried out for the engine malfunction which he complained about. He said Oodle had the opportunity to send an engineer out but didn't. He said he'd refused on the third time because he'd been messed around. He reiterated he'd tried to reject the car within six months. Ultimately, he said he reported two faults but only one was fixed. He said he should have been able to return the car within six months due to the faults, which is what he tried to do. I understand Mr K also told Oodle he'd taken steps to take the car out of his name and removed it from his property.

As things weren't resolved, 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.

I want to acknowledge I've summarised the events of the complaint. I don't intend any discourtesy by this – it just reflects the informal nature of our service. I'm required to decide matters quickly and with minimum formality. But I want to assure Mr K and Oodle that I've reviewed everything on file. And if I don't comment on something, it's not because I haven't considered it. It's because I've concentrated on what I think are the key issues. Our powers allow me to do this.

Mr K 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 K entered into. The CRA implies terms into the agreement that the quality of goods is satisfactory. Oodle is the supplier of the goods under the agreement and is therefore responsible for dealing with a complaint about their quality.

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 or other consideration for the goods (if relevant) 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 Mr K's case, the car was used when it was supplied. It was 10 and a half years old and cost £4,000, which is significantly less than if it was new. And it had already covered around 90,000 miles. I think the reasonable person would have very different expectations of it compared to a new car. Given the age and mileage at the point of supply, the car was more likely to develop faults and require maintenance than a newer, more expensive model.

The CRA sets out that goods which do not conform to the contract at any time within the period of six months beginning with the day on which the goods were delivered to the consumer must be taken not to have conformed to it on that day unless it's established the goods did conform to the contract on that day or that the application is incompatible with the nature of the goods or with how they fail to conform to the contract. Outside of the first 30 days, the trader is allowed a chance to repair a fault that deemed the goods of unsatisfactory quality.

It doesn't seem to be in dispute there was a fault with the car shortly after Mr K acquired it. I can see he took it to a garage on 14 June 2022 and it found fault codes present relating to a charging fault, and recommended the alternator was replaced. He's also shown us photos of diagnostics readings showing fault codes that are dated April and May 2022. I understand Mr K took these himself. While there was some back and forth between Mr K, the broker and the warranty company, I can see the alternator was replaced, and Mr K was reimbursed his costs. This seems to have resolved the issue. I think this seems like a reasonable resolution for the initial faults that Mr K has complained about, and it remedied the alleged breach of contract. But Mr K is unhappy because he says there's been an engine malfunction from the point of supply which wasn't addressed.

I think it's important at this stage to note that the complaint is against Oodle, and not the warranty company or broker. I can't generally hold Oodle responsible for the actions of the broker or the warranty company that took place after Mr K signed the finance agreement. I can see Mr K was unhappy with the service from the broker and the warranty company during those first few months he was in possession of the car. But I can't see that Oodle was involved until later – January 2023. I don't think I'd have the grounds to hold Oodle liable for the actions of other parties in 2022.

I can see Mr K spoke to Oodle in January 2023, so I've focussed on how it responded to his complaint. Mr K let Oodle know he'd reported issues within a month with the broker and that he didn't know he could contact Oodle about the faults. He let Oodle know there'd been ongoing problems with the alternator and engine. Oodle let Mr K know he'd be responsible for showing there were faults with the car and that they were present or developing at the point of supply. Taking into account what I've said above, and that Mr K had been in possession of the car for over eight months by that point, I think that was reasonable. I'm also conscious that I think the mileage in January 2023 was around 97,000.

Oodle's notes indicate Mr K was unhappy he was being asked to pay for an independent report himself because he'd let the broker know about the issues he was having before. And it looks like Mr K was unhappy with the support he received from the broker, and that the repairs didn't resolve everything. Oodle requested information from Mr K to decide if it would arrange for an independent report itself. Mr K sent details of the communication he had with the warranty company and broker. Initially an agreement couldn't be reached, and Mr K reiterated he wanted to return the car. Oodle didn't uphold the complaint because of a lack of evidence. Based on what it had been supplied, I don't think that was unreasonable. I also don't think it was unreasonable when it then went through the options Mr K had to end the agreement.

I can see Oodle did offer to arrange the report in June 2023, but by this point Mr K was very unhappy with the situation. He'd taken the car out of his name and said it was too late.

The problem I have is that I don't have sufficient evidence of the current faults with the car, nor that those faults were present or developing at the point of supply. So I don't have the grounds to say that Oodle's response to Mr K's claim and complaint was unfair. While I'm not disputing Mr K had issues with the car shortly after acquiring it, the evidence I've seen indicates the main problem was fixed. Mr K has said only part of the issue was fixed, and the problems with the engine weren't. But I don't have sufficient evidence that's what happened. There's no inspection reports or job cards that took place after the alternator repair for me to rely on for example. I'm conscious Mr K was able to cover around 7,000 miles in the car after he acquired it. He covered around 4,000 miles after the alternator repair. I don't think he'd have been able to do that if the car hadn't been brought back to conformity with that repair given the car's age and mileage.

By the point Mr K contacted Oodle I think the onus was on Mr K to demonstrate what the current faults were, and that they were present or developing at the point of supply. I don't think he did that. As a way to resolve things, Oodle offered to arrange an inspection, but Mr K didn't take it up on that offer. Oodle didn't need to make that offer, but I think it was fair of it to do so. But without the supporting evidence the contract wasn't brought back to conformity after the alternator repair, I don't have the grounds to uphold the complaint.

All things considered, I'm sorry to hear Mr K had issues with the car. I'm not saying that the alleged current faults weren't present or developing at the point of supply. But the problem is that I don't have enough evidence of what the faults are, and that they were present or developing at the point of supply. I'd recommend Mr K speaks to Oodle to come to an agreement on a way forward. If Mr K does decide to obtain an inspection on the faults for example, I'd expect Oodle to consider the evidence. I'm primarily required to consider how Oodle acted up to the point it issued its final response, and I think its answer was broadly fair. So I'm not making any directions.

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 8 March 2024.

Simon Wingfield  
**Ombudsman**