

The complaint

Mr S complains that a van that was supplied to him under a credit agreement with Oodle Financial Services Limited, trading as Oodle Car Finance, wasn't of satisfactory quality.

What happened

A used van was supplied to Mr S under a hire purchase agreement and fixed sum loan agreement with Oodle Car Finance that he electronically signed in February 2023. The total cost of the van was £13,299, Mr S paid a deposit of £1,000 and he agreed to make two payments of £355.94 and 58 monthly payments of £305.94 to Oodle Car Finance. He complained to Oodle Car Finance about some issues with the van in March 2023 but it said that it was unable to uphold his complaint as there was no evidence to show faults with the van. Mr S wasn't satisfied with its response so complained to this service. The van was inspected by an independent expert in November 2023 who said that the only issue that would have been present at the time of sale was a handbrake fault.

Mr S's complaint was looked at by one of this service's investigators who, having considered everything, thought that it should be upheld in part. She recommended that Oodle Car Finance should: arrange for and cover the cost of the repairs to the van as agreed in its final response letter; refund the cost of rentals to cover any loss of use, or impaired use, of the van because of the inherent quality issues; refund £78 for the cost of a diagnostic report; pay interest on all refunded amounts; and pay £150 for any trouble and upset that's been caused.

Mr S didn't agree with the investigator's recommendation and asked for his complaint to be considered by an ombudsman. But he voluntarily terminated the credit agreement in March 2024 and entered into a payment plan to pay off the outstanding balance. Oodle Car Finance says that the van had turbo issues which were Mr S's liability and wasn't in a driveable state when collected but that it was liable for a handbrake repair although Mr S had been able to use the van.

Mr S's complaint was then looked at by another of this service's investigators who, having considered everything, agreed that it should be upheld in part but she recommended that Oodle Car Finance should pay Mr S £150 for the distress and inconvenience caused by the handbrake fault.

Oodle Car Finance accepted the investigator's recommendation but Mr S says that it's illegal that he picked up a faulty van on the day that it passed an MOT test and that he should be reimbursed for parking costs that he incurred.

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.

Oodle Car Finance, as the supplier of the van, was responsible for ensuring that it was of satisfactory quality when it was supplied to Mr S. Whether or not it was of satisfactory quality

at that time will depend on a number of factors, including the age and mileage of the van and the price that was paid for it. The van that was supplied to Mr S was more than six years old, had been driven for 85,222 miles and had a price of £13,299. Satisfactory quality also covers durability which means that the components within the van must be durable and last a reasonable amount of time – but exactly how long that time is will depend on a number of factors.

Mr S complained to Oodle Car Finance about issues with the van in March 2023 but it didn't uphold his complaint. The van was inspected by an independent expert in November 2023 when its mileage was recorded as 92,024 miles so Mr S had been able to use the van to drive nearly 7,000 miles in about nine months. The independent expert's report says that the only issue that would have been present at the time of sale was a handbrake fault. The investigator recommended that Mr S's complaint should be upheld in part but Mr S voluntarily terminated the agreement in March 2024.

There were clearly some issues with the van and I agree with the investigator that it would have been fair and reasonable for Oodle Car Finance to have paid for the issues with the handbrake to be repaired if Mr S hadn't voluntarily terminated the credit agreement. But as the van has been collected by Oodle Car Finance and disposed of, a repair to the handbrake is no longer an appropriate remedy.

There was also an issue with the turbo when the van was collected but the independent expert's report says: "*The turbo operation was found to be satisfactory*". I'm not persuaded that there's enough evidence to show that the issue with the van's turbo was present when the van was supplied to Mr S or that it caused the van not to have been of satisfactory quality at that time. The van had passed an MOT test on the day that it was supplied to Mr S but that's neither illegal nor unusual as used vehicles are often subject to an MOT test shortly before they are supplied.

Mr S has provided some invoices for diagnostic work on the van. I don't consider that it would be fair or reasonable for me to require Oodle Car Finance to reimburse him for the diagnostic work relating to issues other than the handbrake. Mr S has provided an undated invoice for £78 for a labour check of the handbrake. I find that it would be fair and reasonable for Oodle Car Finance to pay £78 to Mr S to reimburse him for the cost of that check, with interest from the date in April 2023 that he first mentioned that invoice to Oodle Car Finance. Oodle Car Finance has agreed to that.

Mr S has also referred to other costs, such as insurance costs, parking costs and rental costs, that he says should be reimbursed to him. But the insurance costs seem to relate to a replacement vehicle that Mr S acquired and he's not provided enough evidence of the parking and rental costs to persuade me that it would be fair and reasonable for Oodle Car Finance to be required to reimburse him for those costs.

Mr S has been caused distress and inconvenience by the issues with the van's handbrake. I agree with the investigators that it would be fair and reasonable for Oodle Car Finance to pay him £150 to compensate him for that distress and inconvenience. Oodle Car Finance has agreed to pay that compensation to Mr S.

Putting things right

I find that it would be fair and reasonable in these circumstances for Oodle Car Finance to take the actions described above and as set out below in response to Mr S's complaint.

My final decision

My decision is that I uphold Mr S's complaint in part and I order Oodle Financial Services Limited, trading as Oodle Car Finance, to:

1. Pay £78 to Mr S to reimburse him for the cost of the handbrake check.
2. Pay interest on that amount at an annual rate of 8% simple from the date in April 2023 that Mr S first mentioned the invoice to Oodle Car Finance to the date of settlement.
3. Pay £150 to Mr S to compensate him for the distress and inconvenience that he's been caused by the issues with the van's handbrake.

HM Revenue & Customs requires Oodle Car Finance to deduct tax from the interest payment referred to above. Oodle Car Finance must give Mr S a certificate showing how much tax it's deducted if he asks it for one.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 5 November 2024.

Jarrold Hastings
Ombudsman