

The complaint

Mr M complains about a car he acquired with credit provided by Oodle Financial Services Limited, trading as Oodle Car Finance ("Oodle"). He says it was not of satisfactory quality, and that it was misrepresented to him.

What happened

On 30 May 2023, Mr M entered into a regulated hire purchase agreement with Oodle in respect of a used car. The car was eight years old, its mileage was 87,484 miles, and its cash price was £14,195. On 1 June it passed its MOT test with no advisories.

In August of the same year, the car broke down. Mr M took it back to the dealership, but being dissatisfied with their service, he complained to Oodle. He said that the car had not been of satisfactory quality, and that it had been falsely advertised. He asked to reject the car.

Meanwhile, the car remained in the garage, and Mr M was not provided with a courtesy car. The car was repaired at no cost to Mr M, and was returned to him in late September. Oodle told Mr M that this was a fair resolution to his complaint, and that it would therefore not offer him anything else. In October 2023, Mr M brought this complaint to our service.

Our investigator did not uphold Mr M's complaint about how the car had been advertised, due to a lack of evidence about that. But she did uphold his complaint about the car being of unsatisfactory quality at the point of sale. There was no dispute that the car had been eligible to be repaired under warranty, and that its turbo had failed after Mr M had had the car for only three months and had driven it for only 2,000 miles in that time.

The investigator didn't think that Mr M was entitled to reject the car, because the dealership was legally entitled to one attempt at repairing it first. There was no evidence that the repair had not been successful, so she assumed that it had been. But as Mr M had been without a car for about six weeks, she recommended that Oodle refund him the monthly payments he had made during that period, plus £200 for his inconvenience.

Oodle accepted that decision. Mr M did not. He said that the proposed compensation did not reflect the distress caused by breaking down on the motorway, the inconvenience of having to take the car to the garage, and subsequently being unable to travel to work on some days or collect his children from school. He also expressed doubt that the repair was satisfactory. He will also have to travel nearly 100 miles to collect the car (which he has not had since it was repaired), and 100 miles back again. And he remains dissatisfied with repair, rather than rejection, as a resolution to his complaint. (Meanwhile, he has declared the car off road and it is no longer insured.) He asked for an ombudsman's 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.

Under the Consumer Rights Act 2015, the supplier of goods which are not of satisfactory quality is entitled to one attempt at repairing them before the consumer is entitled to exercise his right to reject them. Since the dealership was entitled to exercise that right, and since I have seen no evidence that the repair is unsatisfactory, I am satisfied that Oodle was entitled to decline Mr M's request to reject the car and to unwind the finance agreement.

However, I don't think that just repairing the car was enough. It was also necessary to recognise the fact that Mr M was deprived of a car for six weeks, and that the car had broken down on the motorway. I think that a refund of his monthly payments for that period, and £200, is in line with what our service would typically award for that.

I broadly agree with the recommendations made by my colleague, so I will endorse them, but with a couple of amendments. Firstly, I will direct Oodle to arrange for the car to be delivered to Mr M's home address at no cost to him, if he declares it back on the road and insures it (so it can be driven to him, in case it is not convenient to tow it or to transport it on another vehicle). He shouldn't have to do a 200-mile round trip to collect it. Secondly, I think that the proposed refunds only cover one month when Mr M didn't have a car, rather than the slightly longer period of about six weeks, so I will direct that there should be a refund equal to one and a half monthly payments instead.

My final decision

My decision is that I uphold this complaint. I order Oodle Financial Services Limited (trading as Oodle Car Finance) to:

- Refund £503.34 to Mr M (representing one and a half of his monthly payments under the finance agreement);
- Pay Mr M £200 for his trouble, and
- On condition that Mr M reinsures the car and provides evidence that he has done so, arrange for the car to be delivered to his home address at no cost to him and at a reasonable date and time which is convenient to him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 25 September 2024. But apart from that, this decision is final and it brings to an end our service's involvement in this complaint.

Richard Wood
Ombudsman