

## **The complaint**

Mr C complains that a car acquired under a hire purchase agreement with Creation Consumer Finance Ltd ('Creation') wasn't of satisfactory quality.

Mr C is represented in this complaint, for ease of reference I have referred to Mr C throughout this decision.

## **What happened**

In October 2021, Mr C was supplied with a car through a hire purchase agreement with Creation. The car was about six years old and had covered approximately 60,000 miles when the agreement started. The agreement was for 60 months, and the cash price was £24,500.

Mr C has said shortly after acquiring the car he noticed an engine light came on, the vehicle went in for repair and the issue was resolved. Amongst other things the brake pads also needed replacing making him question the reliability of the independent inspection which was carried out prior to him acquiring the car.

Some time later, in June 2023 Mr C said whilst driving the car, the car lost all power and emitted large amounts of smoke. He had the car independently inspected and was informed the car needed a new turbo and a new engine, repairs costing in the region of £14,000. Mr C said this was unexpected as he hadn't done much mileage since taking possession of the car and so doesn't think the car was of satisfactory quality.

Mr C complained to Creation, but it took longer than eight weeks to investigate the complaint, so in the meantime Mr C referred his complaint to this Service. Our Investigator looked into things but didn't uphold the complaint. She accepted there were faults with the car but said the problems appeared to be down to reasonable wear and tear of a second-hand vehicle. She didn't think it would be fair to ask Creation to do anything more to resolve Mr C's complaint.

Mr C remained unhappy, so 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.

Having done so, I've reached the same overall conclusions as the Investigator, and for broadly the same reasons. If I haven't commented on any specific point, it's because I don't believe it affected what I think is the right outcome.

The hire purchase agreement entered by Mr C is a regulated consumer credit agreement and this Service is able to consider complaints relating to it. Creation is also the supplier of the goods under this type of agreement and responsible for a complaint about its quality.

The Consumer Rights Act 2015 (CRA) covers agreements like the one Mr C entered. Because Creation supplied the car under a hire purchase agreement, there's an implied term that it is of satisfactory quality at the point of supply. Cars are of satisfactory quality if they are of a standard that a reasonable person would find acceptable, taking into account factors such as the age and mileage of the car and the price paid.

The CRA also says the quality of goods includes the general state and condition, and other things such as its fitness for purpose, appearance and finish, freedom from minor defects and safety can be aspects of the quality of the goods.

Satisfactory quality also covers durability. For cars, this means the components must last a reasonable amount of time. Of course, durability will depend on various factors. In Mr C's case the car was used and covered approximately 63,000 miles and was about six years old when he acquired it. So, I'd have different expectations of it compared to a brand-new car.

The car had travelled a reasonable distance and it is fair to expect there to be some wear to it because of this use. As with any car, there is an expectation there will be ongoing maintenance and upkeep costs. And with second-hand cars, it is more likely parts will need to be replaced sooner or be worn faster than with a brand-new car. Creation would not be responsible for anything that was due to normal wear and tear whilst in Mr C's possession.

I've considered Mr C's testimony, and from the evidence provided by both sides, I can see it is not in dispute there are issues with the car. Mr C has provided a quotation which details the following components are in need of repair:

- Transmission
- Coolant
- Gaskets
- Turbocharger
- Ancillary drive belt

I'm satisfied there are faults present on the car in question and repairs are estimated to cost approximately £14,000. Unfortunately, due to the length of time passed the garage did not keep any other records as to what was discussed or diagnosed at this point so there's nothing further for me to consider.

But just because there were faults found with the car, does not automatically mean the car was not of satisfactory quality. The car had been in Mr C's possession for about a year and a half and from the MOT history I've seen it had travelled in excess of a further 5,000 miles after it was supplied. I do think if the car was of unsatisfactory quality at the point of supply Mr C would not have been able to use the car for as long as he did.

Mr C has told us an engine warning light appeared on the dashboard in October 2021 and having been to the garage it reappeared again. In February 2022 the car underwent repairs whereby the brake pads, glow plug, EGR filter and hose were covered under warranty. Mr C also paid for an air filter which was not covered under the warranty.

Between this point and June 2023 Mr C continued to use the car. I've seen nothing that indicates the faults reported with the car now were present at the point of supply. I don't think it's plausible that the vehicle could have covered more than 5000 miles since supply in such a condition nor is there any information to show work carried out in 2022 failed or contributed to the current symptoms.

And so, I'm not persuaded the faults which were present in February 2022 were connected to the faults which later occurred in June 2023. I think the components required to be

replaced now are by their nature wear and tear items and I'm not persuaded this means the vehicle wasn't durable or wasn't of satisfactory quality at the time it was supplied.

As such, and while I appreciate it will come as a disappointment to Mr C, I won't be asking Creation to cover the cost of the repairs.

### **My final decision**

For the reasons explained, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 13 December 2024.

Rajvinder Pnaiser  
**Ombudsman**