

The complaint

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

What happened

In May 2023, Miss C was supplied with a used car through a hire purchase agreement with Advantage. The car was ten years old and had covered approximately 83,000 miles when the agreement started. The agreement was for 59 months, and the cash price was £7,248.

In August 2023 Miss C got in touch with Advantage and explained, having spoken to the dealership it was unable to assist her with the faults she was experiencing.

Following this, a complaint was raised detailing several faults with the vehicle. Amongst other things Miss C said she was unhappy with a non-functional electric window on the passenger side, a fault with the seatbelt, a noise coming from the engine and a persistent squeak while driving.

Advantage arranged for an independent inspection of the car to take place. The inspection concluded the fault with the passenger window was present and would've been when Miss C acquired the car. But other than this it said the car was of satisfactory quality when it was supplied, and the faults being raised were more than likely caused by age-related wear and tear.

Miss C was disappointed with the outcome of the report and got in touch with Advantage about her concerns. Advantage contacted the independent party to clarify Miss C's concerns, but it maintained that a reasonable degree of wear and tear is acceptable on a used vehicle.

Advantage offered to repair the malfunctioning window and it provided Miss C with its final response letter in November 2023.

Miss C remained unhappy and brought her complaint to this Service. Our Investigator looked into things but didn't uphold the complaint. He accepted there was a fault with the passenger window and said Advantage had offered to repair the fault, so he didn't think it needed to do anything further.

Miss C didn't agree, she maintained that the car supplied by Advantage wasn't of satisfactory quality, 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 our Investigator and for broadly the same reasons. I know this will come as a disappointment to Miss C, but I will

explain my reasons below.

The hire purchase agreement entered by Miss C is a regulated consumer credit agreement and this Service is able to consider complaints relating to it. Advantage 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 Miss C entered. Because Advantage 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 that 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 Miss C's case the car was used and covered approximately 83,000 miles when she acquired it. So, I'd have different expectations of it compared to a brand-new car. Having said that, the car's condition should have met the standard a reasonable person would consider satisfactory, given its age, mileage, and price.

Advantage acknowledged it had a potential liability in respect of the quality of goods it supplied and so it instructed an independent party to carry out an inspection of the car. As a result, a detailed report setting out the professional opinion of the third party was provided and it identified a fault with the window functionality. Apart from this, as outlined above, it thought the car was of satisfactory quality. I see no reason why Advantage should not be entitled to rely on this report. I've seen nothing to contradict the findings of this report and so similarly I consider I can rely on the report in determining this complaint.

There's no dispute that the fault concerning the window was present at the point of sale, Advantage has said it will not charge Miss C for the repairs which I think is fair. I also don't dispute that there was an issue with the seatbelt, but I'm not persuaded this fault was present at the point of sale. I understand Miss C wasn't happy with the outcome of the report and so wrote to Advantage raising points she felt had been overlooked by the inspection. Advantage forwarded Miss C's concerns to the independent party, including her comments about the fault with the seatbelt. I can see from its response, the inspector confirmed aside from the window fault it was of the opinion that the car was of satisfactory quality considering its age and mileage. I acknowledge Miss C disputes the findings of the independent report but again, I have no reason to do so. Further, the car has undertaken an MOT since possession, and I cannot see an issue of a faulty seatbelt being detailed.

I understand Miss C has raised concerns about further faults with the vehicle. I do empathise with Miss C who I don't doubt would have to pay out money on work that needs doing to rectify the faults. But taking everything into account I am not persuaded that the faults complained about (other than the window fault) were present at the point of sale. In which case I can't reasonably conclude that Advantage needs to do anything further than what it has already offered to do. I don't think Advantage has treated Miss C unfairly by declining to accept all the problems she mentioned as evidence the car was not of satisfactory quality at the point of supply.

Based on the definition in the CRA 2015 the issue with the window would seem to fall short of the standard required to be of satisfactory quality. That has already been acknowledged, Advantage has addressed this and offered to repair this and so it's not necessary for me to

require Advantage to take any further action in this respect. And it's for Miss C to decide whether she wants to take up its offer to repair the window.

My final decision

For the reasons I've set out above, my final decision is that Advantage Finance Ltd doesn't need to do anything further to resolve this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 21 November 2024.

Rajvinder Pnaiser
Ombudsman