

The complaint

Mr C complains that a car supplied to him under a hire purchase agreement with Oodle Financial Services Limited (Oodle) is of unsatisfactory quality.

What happened

In February 2023 Mr C entered into a hire purchase agreement with Oodle to acquire a used car. The car was around eight years old, with a mileage of 62,628. The cash price of the car was £8,514.00, a deposit of £2,000.00 was paid by method of trade-in and a payment of £2,671.26 to settle Mr C's existing loan is also listed as a cost on the agreement. The total amount payable on the agreement was £15,119.80, payable with a first instalment of £0.00, followed by 58 monthly repayments of £251.98 with a final payment of £252.98.

In August 2023, Mr C experienced a breakdown that required assistance. Mr C took this to a local garage, which I'll refer to as 'B' to find out what the issues were, and then complained to Oodle in September 2023. As part of this complaint, there are notes of a call between Mr C and Oodle where Mr C explains the car needs an engine and suggests B thinks the spark plugs and other basic service items haven't been changed. Mr C explains that he feels the car shouldn't have been sold to him in this state. As part of these notes, it's suggested Mr C wants the cost of the repairs covered or to reject the vehicle.

Oodle issued a final response in October 2023, in which it didn't uphold the complaint. Oodle said because Mr C had experienced the faults more than six months after the point of supply, it was up to him to show that the faults were present or developing at the point of supply and that there was no evidence to suggest this was the case.

Mr C remained unhappy and brought his complaint to this service where it was passed to one of our investigators.

The investigator didn't uphold the complaint. He said that because Mr C had the vehicle for over 6 months, he'd need to see evidence that the faults were present or developing at the time of supply. The investigator also considered that Mr C was able to travel just under 5,000 miles in the car before the failure, according to the invoice from 'B'. It was for these reasons the investigator came to the opinion that the car was of satisfactory quality when it was supplied.

Mr C didn't agree so I've been asked to review the complaint to make a final decision.

As a note – Mr C also later raised an issue with mould growing inside and on the car. The investigator explained this is not something that can be commented on within this complaint as Oodle haven't been given the opportunity to respond to this complaint and this would need to be raised separately with Oodle by Mr C. As Oodle hasn't had the opportunity to investigate this issue, I will not be making a finding on this issue in my 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.

Mr C acquired a car under a hire purchase agreement. Entering into consumer credit contracts like this is a regulated activity, so I'm satisfied we can consider Mr C's complaint about Oodle. Oodle is also the supplier of the goods under this type of agreement meaning they are responsible for a complaint about the supply of the car and its quality.

The Consumer Rights Act 2015 (CRA) is relevant in this case. It says that under a contract to supply goods, there is an implied term that "*the quality of the goods is satisfactory, fit for purpose and as described*". To be considered as satisfactory, the CRA says the goods need to meet the standard that a reasonable person would consider satisfactory, considering any description of the goods, the price and all the other relevant circumstances. The CRA also explains the durability of goods is part of satisfactory quality.

So, it seems likely that in a case involving a car, the other relevant circumstances a court would consider might include things like the age and mileage at the time of sale and the vehicle's history.

In this case, Mr C acquired a car that was around eight years old and had travelled 62,628 miles. As this was a used car with this mileage and age, it's reasonable to expect parts may already have suffered more wear and tear when compared to a new car or one that is less travelled. There's a greater risk this car might need repair and/or maintenance sooner than a car which wasn't as road-worn.

I've reviewed the available evidence about the issue Mr C experienced with the car. Based on what I've seen, I'm satisfied that there is a fault with the engine. I say this because 'B' has confirmed the wet timing belt was broken up with a blocked oil pump and loss of oil pressure and they found the cylinder block smashed. Having considered the car had a fault, I've considered whether it was of satisfactory quality at the time of supply. I'll also consider whether the timing belt was suitably durable as this is what 'B' suspects may have caused the issue.

Mr C has provided an invoice from 'B' dated 18 October 2023. This states they attended a callout to a non-start. They found engine oil covering the engine and the underside of the vehicle. Alongside this, there was no compression, and the cylinder block was smashed. It's also stated they suspect the wet timing belt had broken up and blocked oil pump with loss of oil pressure.

The invoice also states they removed coil packs and found ceramic broken up on rusty spark plugs – these are listed as genuine manufacturer spark plugs. They state they suspect lack of servicing, oil viscosity is in poor condition, possibly causing the breakage of the timing belt and detonation of the engine. The vehicle is deemed unfit for usage and requires a complete new engine.

There isn't any other inspection report available such as from an independent engineer as requested by Oodle, and this is the only report on the condition of the vehicle and likely causes we have. Mr C also supplied a recovery report showing the breakdown date in August 2023, listing the fault found as engine mechanical and the vehicle was a non-start. Mr C provided an extract of a service history booklet, which showed regular servicing was carried out from 2017 to August 2022. Although the service information carries no identifying factors, I've no reason to doubt that it relates to Mr C's vehicle.

Having considered the information in B's invoice, alongside the car's service history, it persuades me that the fault was unlikely to be considered present or developing at the point of supply. I say this partly because B's opinion of the causes of the fault, do not show that the faults were present or developing at the point of supply. They consider that poor oil viscosity, and potential lack of servicing could have caused the breakage of the wet timing belt, and damage to the engine.

According to the service book, the car was regularly serviced, and 12 months had just passed since it's last one before the failure. I can't know for sure how the car was serviced or what work was or wasn't carried out during these as we don't have evidence to show this. As the car was regularly serviced before, and I have no information to show the faults were likely to have been present when the car was supplied, I find it more likely that this was a fault that developed after the vehicle was supplied.

Taking into account the amount of time Mr C had the vehicle, and that during this time he had travelled just under 5,000 miles, research suggests this to be above average mileage for the time of ownership, indicating Mr C had good use of the vehicle. This, alongside B's opinion of the issue, persuades me that the fault was not present or developing at the point of supply, because if it had been, I would have expected the fault to present itself much sooner than it did with less mileage being covered over this time. So, I'm satisfied the vehicle was of satisfactory quality when it was supplied to Mr C.

With that taken into account, I then moved on to consider if the car was suitably durable. Whilst considering if the vehicle was durable, I've looked at B's invoice, the expected lifetime of the wet timing belt and considered what we know of the other issues with the car and when these might reasonably need to be replaced if B's opinions are correct. Research suggests a wet timing belt on a car like Mr C's may need replacing from around 80,000-144,000 miles or around eight to ten years. This failure may well have happened before the wet-timing belt might have been expected to need replacing.

However, based on the information I do have, I can't say the servicing before the vehicle was supplied is likely to have caused an issue. I'm persuaded that the information I do have, as outlined above, suggests the car was suitably durable at the point of supply due to the distance covered, and B's comments on what may have caused the failure leading to an earlier than potentially expected repair.

Having carefully considered all of the available information, I believe this shows the car to have been suitably durable when it was supplied.

I acknowledge Mr C feels the car wasn't of satisfactory quality as he may not have expected a fault like this to occur within the timeframe it did. However, I haven't found anything to show the fault was present or developing at the point of sale, or that the car wasn't durable. I am persuaded that the issues were likely due to general wear and tear taking everything into account.

I'm aware this issue has caused Mr C a great deal of stress and worry, and I acknowledge the situation Mr C finds himself in with the car is not what he would have hoped for. However, based on everything I've seen, there isn't enough evidence to persuade me that the car wasn't of satisfactory quality or that it wasn't suitably durable at the point of supply, so I won't be asking Oodle to do anything further.

My final decision

My final decision is that I don't uphold the 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.

Jack Evans
Ombudsman