

The complaint

Mr B complains about the quality of a car acquired through a hire agreement from Alphabet (GB) Ltd ("Alphabet").

What happened

Mr B entered a hire agreement with Alphabet in September 2017 for a new car. It was initially intended to be for around four years but was extended.

In November 2023, the vehicle broke down having travelled around 48,000 miles. It was eventually examined by a main dealership who said it needed a new engine at a cost of approaching £13,000.

Mr B was unhappy with this, saying a new car shouldn't need a replacement engine at this cost after six years and at this mileage. He complained to Alphabet, and they issued him with their final response letter (FRL) in January 2024. They didn't uphold his complaint and said that the inspecting main dealer garage had confirmed that there was no manufacturing defect, and in their opinion, the most likely reasons for the engine failure were either Oil starvation or a lack of regular servicing.

Mr B had said he'd had to top up the oil in the period before the car broke down, and when asked to supply service history, he'd provided details of two services carried out at non approved garages, one in 2020 and one in 2022, but nothing else. The servicing interval for the car was every year or 16,000 miles, whichever came first, so it should have been serviced as a minimum annually. Alphabet told him that he was liable for the repairs on this basis.

Unhappy with this, Mr B brought his complaint to our service. An investigator investigated the complaint and didn't uphold in Mr B's favour. They said that it confirmed in the agreement that the car needed to be maintained at approved garages, and that it had to be serviced at the manufacturer recommended guideline intervals.

The investigator said that they weren't upholding the complaint on this basis. Mr B didn't agree with this and asked for an Ombudsman to make a final decision, so the case has been passed to myself.

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's affected what I think is the right outcome.

In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and (if appropriate) what I

consider was good industry practice at the time. Mr B was supplied with a car under a hire agreement. This is a regulated consumer credit agreement which means we're able to investigate complaints about it.

The Consumer Rights Act 2015 (CRA) says, amongst other things, that the car should've been of a satisfactory quality when supplied. And if it wasn't, as the supplier of goods, Alphabet are responsible. What's satisfactory is determined by things such as what a reasonable person would consider satisfactory given the price, description, and other relevant circumstances.

After owning the car for six years, the CRA says that it would be for Mr B to prove that the car was not of satisfactory quality when it was supplied. This may be that a fault has been developing over time since supply, or that the car hasn't proved sufficiently durable.

In this case, we don't have any hard evidence supplied by Mr B about the fault, the possible causes of it, or the likely timeline involved. Under the CRA, Alphabet don't need to prove the car was of satisfactory quality when it was supplied six years ago; Mr B needs to prove it wasn't.

This means that I am making my decision based on the balance of probabilities; what is most likely to have happened here. And in this case, what feels most likely to have happened is that the lack of proper servicing has meant that some of the parts of the engine have deteriorated more quickly than normal and have failed.

The fact that one of the services happened in 2022 at around 35,000 miles isn't particularly relevant here. If servicing isn't carried out regularly to the intervals the manufacturer recommends, and things like fluids aren't checked and topped up or replaced when needed, an engine can be put under considerably more strain than should be the case, and parts will potentially wear out prematurely, causing potentially much bigger problems. This appears most likely to be what's happened here based on the information supplied.

Alongside this, as the investigator stated, the agreement spells out that the servicing must be carried out at the prescribed intervals by a manufacturer approved garage, to ensure the correct maintenance is followed and the warranty remains valid. So, by the time the car broke down in November 2023, it should have had six annual services, but the only evidence provided shows only two services had been carried out, at a non-approved garage.

Fundamentally, it falls on Mr B under the CRA to prove that the vehicle wasn't of satisfactory quality when it was supplied, and I'm afraid he hasn't done this. To be fair to him, I've considered what's most likely to have happened here, and I'm sorry to say that that the most likely cause of the issues the car suffered was a lack of regular servicing. I know this answer will be disappointing to Mr B, but I can't say Alphabet have done anything wrong here, and I won't be asking them to do anything further.

My final decision

I am not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 7 January 2025.

Paul Cronin
Ombudsman