

The complaint

Ms J complains that a car she acquired using a hire purchase agreement with Blue Motor Finance Ltd ("BMF") wasn't of satisfactory quality.

What happened

In April 2023, Ms J entered into a hire purchase agreement with BMF for a car. The cash price of the car was around £5,000 and its mileage was just under 82,000.

Around three months later, Ms J was driving the car and, after she'd stopped and started to pull forward again, there was a bang and one of the wheels fell off. Ms J took the car to a garage who noticed that the ball joint had come away from the wheel hub. She says the mechanic who looked at it told her the ball joint hadn't been properly connected. She then paid £1,267.37 to the garage for the car to be repaired, and £88.90 for a new wheel.

Ms J complained to BMF about what had happened. They contacted the garage who carried out the repair work and they told them that it wasn't possible to tell why the ball joint had detached. But they said that this was a rare issue. BMF then sent a picture of the car to a third-party engineer who told them that the damage was consistent with the car being curbed or driven into a pothole.

BMF didn't uphold Ms J's complaint because of this. Ms J wasn't happy and said that BMF hadn't spoken to the mechanic who'd looked at the car; rather they'd spoken to one of his colleagues who hadn't seen it. And Ms J said the third-party engineer had only looked at one picture of the car and this hadn't shown any impact damage.

Ms J referred her complaint to our service. One of our investigators looked at what happened and recommended that the complaint should be upheld. In summary, he felt it was likely that the ball joint had detached because of poor previous repairs to the car's suspension. And he felt the car wasn't of satisfactory quality when it was supplied to Ms J as a result. He recommended that BMF take certain action to refund and compensate her appropriately.

BMF didn't agree. They said the car had been curbed or involved in an accident and that is what caused the ball joint to detach. BMF also said that the pre-inspection report carried out to the car prior to Ms J acquiring it showed there were no faults with the wheel.

As matters remain unresolved, Ms J's 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.

I want to acknowledge that I've summarised the events of the complaint. I don't intend any discourtesy by this – it just reflects the informal nature of our service. I want to assure Ms J and BMF that I've reviewed everything on file. And if I don't comment on something, it's not

because I haven't considered it. It's because I've concentrated on what I think are the key issues. Our powers allow me to do this.

BMF supplied the car to Ms J under a regulated hire purchase agreement. Because of that, our service can consider complaints about the hire purchase agreement and the goods, in this case the car. As the supplier of the car, BMF has an obligation to ensure it was of satisfactory quality – as set out in the Consumer Rights Act 2015 (“CRA”). Satisfactory quality is what a ‘reasonable person’ would expect, considering amongst other things the age and price of the car.

Section 9 of the CRA refers to satisfactory quality and notes that the quality of goods includes their state and condition. It goes on to list the following aspects, amongst others, of the quality of goods: (a) fitness for all the purposes for which goods of that kind are usually supplied; (b) appearance and finish; (c) freedom from minor defects; (d) safety; (e) durability.

It's reasonable in my view to note the car wasn't new and had travelled reasonably high mileage at the time of supply. So, it would be unreasonable to expect a used car like this to be in the same condition it would have been in when it was new. But just because the car was used with some mileage, doesn't mean that BMF had no requirements in relation to satisfactory quality.

BMF's position is the car was either curbed or involved in an accident of some kind such as Ms J driving it into a pothole. Their position is founded on the opinion of a third-party engineer who saw a picture of the car. I've looked at that picture and haven't seen anything particularly compelling to show that the car had sustained impact damage of some kind, which was the opinion of the third-party engineer.

Ms J has provided credible, consistent testimony that the mechanic who looked at the car explained that the ball joint had detached itself because it hadn't been properly installed or connected. And I note that BMF appears not to have spoken to the mechanic who inspected the car.

It's not possible for me to say with any certainty whether BMF's version of what caused the fault is correct; or whether Ms J's version is correct. I've considered the pre-inspection report which shows there were no issues with any of the wheels or components affecting the wheel. However, bearing in mind the lack of persuasive evidence to show the car had sustained impact damage, I find it more likely than not that the ball joint detached from the car for reasons other than impact damage. I find it unlikely that such a significant and serious issue that clearly affected the car's safety happened through natural wear and tear despite the car having covered around 85,000 miles when the fault occurred. And I think it more likely that the ball joint came loose because there were either durability issues with this component that weren't obviously apparent when the car was inspected by the dealership prior to the sale, or because it hadn't been attached correctly which resulted in it eventually working itself loose over time. I say this as I think it more likely than not that the mechanic who inspected the car reached such a conclusion and Ms J's testimony about what he told her is consistent and, in my view, eminently plausible.

I don't think a reasonable person would expect such a serious issue to have occurred at the time it did, which was only around three months after acquisition. Having carefully considered the evidence from both parties, I find that the car likely wasn't of satisfactory quality when it was supplied to Ms J as a result.

Putting things right

The CRA sets out a number of possible remedies where goods are found to have not been

of satisfactory quality. One of those remedies is to allow one opportunity for the goods to be repaired. Here, the car was repaired albeit not by the dealership who supplied the car to BMF. However, I think it likely that the dealership would have repaired the car at a financial cost to Ms J bearing in mind they told BMF that the liability for what happened to the car lay with her. Nor have I seen that the repair cost was unreasonably high.

I find it would be reasonable therefore for BMF to refund Ms J with the cost of repair, which was £1,267.37, and pay interest of 8% simple each year to this from the date of payment, which was 16 August 2023, to the date of settlement.

Ms J paid for a replacement wheel to be fitted to the car and I find that this cost flows from what happened to the car, and my finding that it wasn't of satisfactory quality. Our investigator said the cost of this was £79, but the invoice concerned shows that Ms J in fact paid a total of £88.90. So, I find that it's reasonable for BMF to refund her £88.90 and pay interest on this of 8% simple each year from the date of payment (8 August 2023) to the date of settlement.

Ms J has said that she wasn't able to use the car from 3 July 2023 to 16 August 2023 and I have no reason to doubt that. I think it's unreasonable to expect Ms J to meet the costs of the monthly repayments under the hire purchase agreement while not having use of the car. So, any repayments Ms J made to the hire purchase agreement from 3 July 2023 to 16 August 2023 should be refunded to her, with interest at 8% simple each year from the date of each payment to the date of settlement.

I also consider that being supplied with a car that wasn't of satisfactory quality has caused Ms J some distress and inconvenience, particularly bearing in mind the shock she would have experienced from the wheel coming loose. Being without the car and making arrangements with the garage to determine the issue are things that would also have been inconvenient to her. In addition to what I've set out above, BMF should make an additional payment of £100 to Ms J. Finally, if BMF has recorded any adverse information, such as missed or late payment markers with credit reference agencies, that relates to this dispute, these should be removed.

My final decision

I uphold this complaint and direct Blue Motor Finance Ltd to do what I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms J to accept or reject my decision before 3 January 2025.

Daniel Picken
Ombudsman