

The complaint

Mr D complains about the quality of a car he has been financing through an agreement with STARTLINE MOTOR FINANCE LIMITED (Startline).

What happened

Mr D took receipt of a used car in December 2022. He financed the deal through an agreement with Startline. In early May 2023 he had problems with the car. He contacted Startline and they arranged for an independent inspection the following month. The inspector found no fault with the car but Mr D continued to experience problems.

He had faults diagnosed and in June and July 2023 the catalytic converter, turbo and coil packs were replaced. He wanted Startline to refund those costs, but they refused as they noted that the independent inspector hadn't identified a fault.

When Mr D escalated his complaint to this service. Our investigator thought the car had been of unsatisfactory quality. He suggested Startline should refund the repair costs, but Startline still disagreed. They said they'd told Mr D not to go ahead with repairs without their approval, but he had proceeded regardless. As they hadn't been able to inspect the car they said they couldn't clarify whether the work required was needed, and they explained that the fault could only reliably be diagnosed by a main dealership. They said they didn't know if the price Mr D paid for the repairs was reasonable. Startline asked for a final decision by an ombudsman.

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 know it will disappoint Startline, but I'm not upholding this complaint. I'll explain why.

Where the information I've got is incomplete, unclear, or contradictory, as some of it is here, I have to base my decision on the balance of probabilities.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point, it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

Mr D acquired his car under a hire purchase agreement. This is a regulated consumer credit agreement and as a result our service is able to look into complaints about it.

The Consumer Rights Act (2015) is the relevant legislation. It says that the car should have been of satisfactory quality when supplied. If it wasn't then Startline, who are also the supplier of the car, are responsible. The relevant law also says the quality of goods is satisfactory if they meet the standard that a reasonable person would consider satisfactory

taking into account any description of the goods, the price and all the other relevant circumstances.

In a case like this which involves a car the other relevant circumstances would include things like the age and mileage at the time the car was supplied to Mr D. The car here was about six and a half years old and had already completed about 43,000 miles.

An old car with a high mileage will not be expected to be as good as a newer car with a low mileage, but it should still be fit for use on the road, in a condition that reflects its age and price.

Mr D has explained that the fault was intermittent and that would explain why the independent inspector was unable to identify a fault in early June 2023. But I am persuaded there was a fault with this car as inspections by two different organisations, that Mr D took his car to, explained that was the case.

As the fault occurred within the first six months of ownership, the relevant legislation places the onus on the business to demonstrate that the fault wasn't present when the goods were supplied. I don't think Startline have been able to do that. Their independent inspection wasn't able to demonstrate there was a problem and didn't shed any light on why Mr D would have required breakdown services the previous month. Startline explained that the catalytic converter was exchanged shortly before Mr D took receipt of the car. I think that makes it even more likely that the subsequent failure of the same equipment was related to that repair, and not a problem that had started after the car had been supplied.

The relevant legislation gives a business one opportunity to repair faults that are present when goods are supplied. Startline complain that they haven't been given this opportunity, but it seems to me that a repair would always have been necessary in circumstances such as these where the catalytic converter had melted, and the turbo had excessive play. I've looked at the costs Mr D had to pay to have those issues resolved and I don't think the fees were excessive. Many of the invoices breakdown the parts and labour costs, they seem reasonable to me and in line with what I would have expected Startline to have paid had they been given the opportunity to complete the repairs.

Mr D has also provided invoices for repairs to suspension components. Given the age and mileage of the car I think those costs could only fairly be considered to be normal wear and tear and I'm not asking Startline to refund them.

Mr D has provided invoices and receipts for work completed to replace the catalytic converter, turbo and coil packs. Our investigator suggested they added up to £3,054.62 but by my calculation the total is £2,369.90. I'm, therefore, asking Startline to refund that amount and to add interest as Mr D has been deprived of that money. If Mr D is able to evidence that the work to diagnose and repair these faults is more than that, Startline will need to refund the full charge and again, they should add interest.

Mr D has explained that as a result of the problems he had with the car he was unable to use it for six weeks. Having looked at the details of the breakdowns he experienced I think that period sounds reasonable. It's not fair that he should pay finance instalments during that time so Startline should refund one and a half monthly finance instalments for the period June to July 2023, and they should add interest to that refund.

Mr D has experienced some distress and inconvenience as a result of this issue. He's had to take his car for repairs, and he's experienced difficulties with transport. He's also had to refer his complaint to this service when I think it could have been resolved earlier. In those circumstances I think Startline should pay him £100 in compensation.

My final decision

For the reasons I've given above I uphold this complaint and tell STARTLINE MOTOR FINANCE LIMITED to:

- Refund £2,369.90 to cover the repair costs Mr D has evidenced he's paid. Add 8% simple interest* per year from the date of payment to the date of settlement. If Mr D is able to evidence that the work to diagnose and repair the faults to the turbo, catalytic converter and coil packs is more than that, Startline will need to refund the full charge and again, they should add 8% interest.
- Pay Mr D £100 to compensate him for the distress and inconvenience he's experienced.
- Refund one and a half monthly finance instalments for the period between June and July 2023 and in respect of the loss of use Mr D experienced. Add 8% simple interest* per year from the date of payment to the date of settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 8 November 2024.

Phillip McMahon
Ombudsman