

## **The complaint**

Mr B is unhappy with the quality of a car supplied to him under a hire purchase agreement with 247 Money Group Limited trading as 247Money ("247").

## **What happened**

I sent Mr B and 247 my provisional findings on this complaint on 16 January 2025. A copy of that decision is attached and forms part of this final decision.

I explained why I was planning to uphold Mr B's complaint and asked both parties to let me know if they had anything to add.

Mr B accepted the provisional decision. 247 didn't respond.

## **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.

Neither party has provided any new supporting information for me to consider following my provisional decision. So, it follows that there is no reason for me to reach any different conclusion than set out in my provisional decision.

## **My final decision**

My final decision is that I direct 247 Money Group Limited trading as 247Money to put things right by doing the following:

- Unwind the agreement and treat it as if Mr B had been entitled to reject the car in September 2023, with nothing further to pay;
- Refund Mr B's £500 deposit;
- Refund any payments made towards the agreement by Mr B since September 2023;
- Pay Mr B £1,278.62 for the cost of the repair;
- Pay Mr B for the cost of J's report, upon Mr B providing 247 Money Group Limited trading as 247Money with a receipt or an invoice from J;
- Pay Mr B 8% simple interest on these amounts from the date of each payment until the date of settlement;\*
- Pay Mr B £250 for the distress and inconvenience caused; and
- Amend any adverse information reported to credit reference agencies about this hire purchase agreement.

\*If 247 Money Group Limited trading as 247Money considers that it is required by HM Revenue & Customs to withhold income tax from that interest, it should tell Mr B how much it's taken off. It should also give Mr B a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

\*\*If 247 Money Group Limited trading as 247Money does not pay this £250 compensation for inconvenience and distress within 28 days of the date on which we tell it Mr B accepts my

final decision then it must also pay 8% simple yearly interest on this from the date of my final decision to the date of payment.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 4 March 2025.

### **Provisional decision**

I've considered the relevant information about this complaint.

Having done so, I'm minded to reach a different outcome to our investigator. I've explained why in this provisional decision.

The deadline for both parties to provide any further comments or evidence for me to consider is 30 January 2025. Unless the information changes my mind, my final decision is likely to be along the following lines.

If 247 Money Group Limited trading as 247Money accepts my provisional decision, it should let me know. If Mr B also accepts, I may arrange for the complaint to be closed as resolved at this stage without a final decision.

### **The complaint**

Mr B is unhappy with the quality of a car supplied to him under a hire purchase agreement with 247 Money Group Limited trading as 247Money ("247").

### **What happened**

Mr B acquired a used car under a 60 month hire purchase agreement with 247 in June 2022. The car was around eight years old and the cost of the car was £6,395. Under the agreement, Mr B paid a deposit of £500 and was required to make 60 monthly payments of £144.64. The total amount payable under the agreement, including the deposit, was £9,178.40. At the time the car was supplied to Mr B, the mileage was listed as 52,000.

In August 2023, the car broke down. A garage told Mr B that there was an issue with the fuel injectors and these were replaced. However the car had further problems.

Mr B initially complained to the broker, who I'll refer to as "F", of the complaint to advise about the issues to the car. F provided a response to Mr B.

In April 2024, 247 terminated the agreement as Mr B said he wasn't going to make any further payments towards the agreement until this service had considered the complaint. Mr B told 247 to terminate the account and said he didn't care if the account went into default.

247 told this service that it hadn't ever received a complaint from Mr B about the quality of the car supplied. So, it said it hadn't investigated any of his concerns. However, in March 2024, 247 acknowledged that Mr B had made a complaint about the quality of the car and also, this service told 247 that Mr B had made a complaint in April 2024. As eight weeks has elapsed since then, this service can consider Mr B's complaint against 247.

Our investigator looked into the complaint and accepted that an independent report showed that the faults with the injectors were present or developing at the point the car was supplied.

However, she thought that fuel injectors were wear and tear items which had a life expectancy of between 50,000 and 100,000 miles. She said the mileage was around 56,000 when the fault occurred and so the issue occurred due to wear and tear, rather than it being the case that these components weren't durable.

Mr B disagreed. He said the repair garage and the independent inspector both said the car couldn't be driven and that he was told the faults didn't occur due to wear and tear, but due to pre-existing faults with the engine of the car.

As Mr B remains in disagreement, the case has been passed to me to decide.

### **What I've provisionally 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.

Where evidence is incomplete, inconsistent or contradictory, I reach my view on the balance of probabilities – in other words, what I consider most likely to have happened in light of the available evidence and wider circumstances.

I've read and considered the whole file and acknowledge that Mr B has raised a number of different complaint points. I've concentrated 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. The rules of this service allow me to do this.

What I need to decide in this case is whether the car supplied to Mr B was of satisfactory quality. If I don't think it was, I'll need to think what's fair, if anything, to put things right.

The finance agreement in this case is a regulated hire purchase agreement. So our service is able to consider complaints relating to it. 247 is the supplier of the car under this type of agreement and so is responsible for dealing with a complaint about its quality.

The Consumer Rights Act 2015 ("CRA") covers hire purchase agreements. Under a hire purchase agreement, there are implied conditions that the goods supplied will be of satisfactory quality.

Mr B acquired a car that was used – so there would be different expectations compared to a new car. Having said that, the car's condition at the point of supply, should have met the standard a reasonable person would consider satisfactory, taking into account its age, mileage and price. The CRA says the aspects of the quality of the goods includes their general state and condition alongside other things such as their fitness for purpose, appearance and finish, freedom from minor defects, safety and durability.

In around August 2023, it's been suggested that the car broke down and a roadside recovery service told Mr B that the car was only running on three cylinders. Mr B has provided a job sheet from a company who I'll refer to as "V" from August 2023 and at this point the mileage was 56,601. The cost of the repairs carried out was £1,278.62.

The job sheet states, *"1 injector renewed vehicle still has misfire and smoking customer agreed to have all injectors tested 3 more failed testing, all injectors renewed and values re-learned vehicle still misfiring and smoking, further investigator required, customer does not want to go any further with repairs having not long owned the vehicle"*.

Following this, in September 2023, it appears that V reviewed the car again and tested the injectors. The job sheet states that three injectors failed but one injector passed, which was the new injector. The mileage was listed as 56,601. However, the previous job sheet from August 2023 contradicts this as it states that all the injectors were renewed and the September 2023 job sheet states the customer was informed of the results in August 2023. Due to the contradiction and the referral to the comments made in August 2023, the weight I can place on this job sheet is limited.

An independent report was also carried out by a company I'll refer to as "J" in September 2023. The mileage at the time was reported as 56,061, which is around 550 miles less than the mileage reported by V in August 2023. It appears there may have been a typing error here and J may have intended to state 56,601 as Mr B said the car wasn't used after it was returned to him by V. J's initial report states that the engine had a heavy misfire and a diagnostic code was stored in relation to the engine control module relay and starter motor signal. It said this code didn't relate to the engine misfire.

Having carefully considered this, I'm satisfied the car supplied to Mr B had a fault as V and J both state the engine is misfiring. I now need to consider whether the fault makes the car of unsatisfactory quality.

J's report states that the engine started readily but it was misfiring. It said further checks would need to be carried out under workshop conditions to find the root cause of the engine misfire. It said as the car had been in service for 14 months and covered around 4,400 miles, it didn't consider that the faults were present or developing at the point the car was supplied to Mr B. However, following the report, it reviewed its report. It said it had considered V's invoice from August 2023 which detailed replacement of all four of the injectors.

*It said, "it is my opinion that the faults with regards to the injectors are a fault which would have been present or in development at the point of the vehicle sale...The vehicle as per our instructions has only covered some 4,023 miles and we would consider the faults are due to wear and deterioration of the injectors, which would only induce wear whilst the vehicle was in its running condition. The vehicle in our opinion has also undergone unsuccessful repairs, as the injectors were replaced and within one month and no distance covered, three of the four injectors are unserviceable.... We would also consider due to the mileage which the vehicle has covered whilst in the ownership of the current client, we would not consider that the vehicle has been durable."*

Having thought about this carefully, I'm minded to decide that the faults with the fuel injectors and subsequent misfiring does make the car of unsatisfactory quality. I'll explain why.

I'm not persuaded that there is currently a problem with the fuel injectors. This is because the job sheet from V in August 2023 suggests that all of the fuel injectors were replaced and renewed. Apart from the job sheet in September 2023 from V, which I am placing limited weight on for reasons already explained, there is no further information to suggest the fuel injectors failed since the repairs. The car wasn't test driven by J and when the diagnostic check was carried out, one fault code appeared that was unrelated to the fuel injectors. Had the problem with the fuel injectors persisted, I would have reasonably expected fault codes to show for each fuel injector that had a problem, as it did when V carried out the diagnostics in August 2023 and listed the fault codes in September 2023.

I think the current fault stems from the misfiring of the car, rather than an ongoing problem with the fuel injectors. It's unclear why the car has misfired, but it's clear more work needs to be undertaken on the car to diagnose the issue. In any event, it seems repairs have been attempted by a third party garage and these repairs haven't resolved the issue with the car. I have considered the possibility that Mr B could have possibly exacerbated the issue by continuing to drive the car.

However, I don't think this theory is plausible. Mr B says he was alerted to the issue after the car broke down. Following this, the car was taken to V and repairs were carried out. The mileage of the car has remained consistent between August 2023 and November 2023. Mr B has confirmed that V delivered the car back to his house and J carried out an inspection at his property. So I'm not currently minded to say that Mr B did cause the additional problems to the car.

Finally, I don't consider it fair or reasonable that a car should suffer some kind of catastrophic breakdown suddenly when it has only covered around 56,000 miles and around 4,400 miles in around 16 months. Whilst the car was nine years old when it broke down, the mileage the car had covered in that time was relatively low for the age of the car. So I'm intending to say that the car supplied to Mr B was not of satisfactory quality.

I've gone on to think about what 247 needs to do to put things right.

Mr B is no longer in possession of the car as it was repossessed or voluntarily surrendered to 247. So Mr B is no longer able to have the car repaired. I can see the car had a registered owner change in July 2024. In light of this, I think it would be fair for 247 to unwind the agreement and treat it as if Mr B had been entitled to reject the car in September 2023. It should also refund Mr B's deposit of £500, with applicable interest.

It's clear that Mr B has had little to no use of the car since September 2023, so any payments paid by Mr B towards the agreement since that date should be refunded back to him. And any adverse information reported to the credit reference agencies about this hire purchase agreement should be amended.

Mr B has provided an invoice stating he paid £1,278.62 for the repair of the fuel injectors. 247 should reimburse Mr B with this amount and pay him 8% simple interest from the date of the payment until the date of settlement.

Mr B has also provided this service with a copy of the report he obtained from J and the additional commentary. 247 should pay for the cost of this report, with applicable interest, upon Mr B providing it with a copy of the invoice.

I've also considered the impact of the complaint to Mr B. Having done so, I think 247 should pay Mr B £250 for the distress and inconvenience caused. I can see that Mr B has been attempting to resolve the situation for a long time, since September 2023. He appears to have been without a car and Mr B has mentioned the ongoing impact to his mental health. I accept that a number of the issues occurred due to the broker, however I'm also satisfied that 247 caused delays when it didn't acknowledge Mr B's complaint.

### **My provisional decision**

My provisional decision is that I intend to uphold Mr B's complaint. I'm minded to instruct 247 Money Group Limited trading as 247Money to put things right by doing the following:

- Unwind the agreement and treat it as if Mr B had been entitled to reject the car in September 2023, with nothing further to pay;
- Refund Mr B's £500 deposit;
- Refund any payments made towards the agreement by Mr B since September 2023;
- Pay Mr B £1,278.62 for the cost of the repair;
- Pay Mr B for the cost of J's report, upon Mr B providing 247 Money Group Limited trading as 247Money with a receipt or an invoice from J;
- Pay Mr B 8% simple interest on these amounts from the date of each payment until the date of settlement;\*
- Pay Mr B £250 for the distress and inconvenience caused; and
- Amend any adverse information reported to credit reference agencies about this hire purchase agreement.

\*If 247 Money Group Limited trading as 247Money considers that it is required by HM Revenue & Customs to withhold income tax from that interest, it should tell Mr B how much it's taken off. It should also give Mr B a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

Sonia Ahmed  
**Ombudsman**