

## **The complaint**

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

## **What happened**

Mr S took receipt of a used car in September 2023. He financed the deal through a hire purchase agreement with Startline.

In October 2023 he had trouble selecting gears. He took the car to a garage who I'll call V, and they stripped and lubricated the gear selector arm at a cost of £54. But when that didn't resolve matters and the problem returned, Mr S reported the issue to Startline.

The car was inspected at another garage in January 2024, but the garage was unable to identify a fault when they road tested the car. Startline, therefore, rejected Mr S's complaint.

Mr S was still experiencing problems so he took the car back to V and they suggested the gearbox would need to be replaced.

Mr S referred his complaint to this service and Startline agreed to arrange a further independent inspection to resolve the conflicting statements. The independent inspector was able to identify gear selection issues and our investigator thought Startline should uphold the complaint on that basis, fit a reconditioned gearbox at no cost to Mr S and refund the £54 spent on the earlier repair.

Mr S thought that Startline should also pay him some compensation and he said V had suggested it would be wise to replace the clutch assembly at the same time. Startline didn't respond so the complaint has been referred to me, an ombudsman, for a final 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.

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 S 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. When we consider whether a car is of satisfactory quality we also think about whether it has been durable.

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 S. The car here was about seven years old and had already completed about 59,000 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.

While there was some confusion about whether there was a fault with this car when Mr S referred his complaint to this service, I don't think there can be any dispute now. In April of this year the independent inspector was able to identify problems selecting second gear and he suggested *"the symptoms had all the characteristics of a sticky gear selector mechanism."*

I don't think a reasonable person would expect a gearbox to fail after such a short time. Mr S first reported the issue after he'd been in possession of the car for only a month. I don't think the gearbox on this vehicle has proven durable as it should have lasted much longer than it did.

The relevant legislation gives a business one opportunity to repair a fault in those circumstances, so I think Startline should now do that. They can use a reconditioned gearbox as long as it is of a similar age/mileage. I note the advice Mr S has received from his garage about replacing the clutch mechanism at the same time. Startline may wish to consider that to avoid any future complaints but at this time the only issue that needs attending to is the sticky gearbox, and that's what I'm asking them to replace.

Mr S had to pay for repairs to the gear selector arm and I don't think he would've had to do that if the car was of satisfactory quality. Startline should, therefore, refund the cost of that work and they should add interest as Mr S has been deprived of the money.

I've thought about whether any compensation is due here. Startline have been relatively supportive, they've arranged and paid for inspections and were quite quick to support our investigator's suggestion that a further report was required to overcome the problem with the conflicting investigations. I understand that Mr S has needed to travel to have the car looked at and that he's been waiting since February 2024 for a decision. But I think that delay hasn't been unacceptably long in the circumstances, and I note that Startline have, in the main, been responsive to this service's requests. On balance I'm not asking them to pay any compensation here.

### **My final decision**

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

- Refund the cost of the work (£54) conducted on the vehicle in October 2023. Add 8%\* simple interest per year from the date of payment to the date of settlement.
- Arrange and pay for a reconditioned gearbox to be fitted.

\*If HM Revenue & Customs requires the business to take off tax from this interest they must

give the consumer a certificate showing how much tax it's taken off if the consumer asks for one.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 13 November 2024.

Phillip McMahon  
**Ombudsman**