

The complaint

Mr E complains about the quality of a car supplied to him by Oodle Financial Services Limited ("Oodle").

What happened

Mr E acquired a used car under a 60 month hire purchase agreement with Oodle in September 2023. The car cost £19,068. Under the agreement, Mr E was required to make one payment of £593.60, followed by 58 payments of £543.60, followed by a final payment of £593.60, which included the option to purchase fee, if he wanted to keep the car. The total amount payable under the agreement, including the deposit, was £32,716. At the time the car was supplied to Mr E, it was around six years old and the mileage was around 65,000. The car was supplied by a garage I'll refer to as "D".

In December 2023, Mr E noted that brake warning lights started appearing on the car's dashboard alongside tyre pressure sensor errors. Mr E complained to Oodle.

Oodle appointed an independent inspection company, who I'll refer to as "F". The mileage at the time was 67,438 and F noted the service was overdue by 1,200 miles. F said the brake pads of the car looked to have been fitted without replacement disks, the two rear tyre pressure sensors were a different make and that the brake warning light and tyre pressure sensor light illuminated, amongst other things. F said the issues had occurred prematurely and faults would have been developing or present at the point the car was supplied to Mr E.

D said it was happy to replace the front brake pads and disks and despite there not being any faults, it was also happy to replace the rear brake pads and disks to avoid any further issues. It said it would pay to replace the offending tyre pressure monitor sensor that caused the warning light to trigger. It said it was happy to pay a reputable VAT registered garage to complete the repairs. Mr E said he was told only the manufacturer will be able to code the tyre pressure monitor sensor. He said he no longer wanted to deal with D as it had told him the car wouldn't be going to the manufacturer and that he wanted to reject the car.

Oodle issued its response to Mr E's complaint in February 2024. It said D had confirmed it would cover the costs of repairs. It said Mr E would need to contact D to obtain authorisation for repairs from a third-party garage.

Unhappy, Mr E referred a complaint to this service. He reiterated his complaint and said that D asked him to obtain three quotes for the repair work and said it would pay the cheapest quote. Mr E said he did this but was advised the tyre pressure sensors needed to be repaired by the manufacturer. Mr E took the car to the manufacturer and it quoted that repairs would cost £2,071.57. Mr E said D said it didn't want him to take the car to the manufacturer. Mr E said D sent him £800 for the repair of the brakes but didn't respond about the tyre pressure sensors.

Our investigator looked into the complaint and said both parties agreed the car wasn't of satisfactory quality when it was supplied to Mr E. She said Mr E received a payment of £800 for the repairs to the car and the cost of the parts for the repairs were £712.95. She said Mr E had carried out the repairs himself, as the £800 he received wouldn't cover the cost of labour to fit the parts. She said no payment had been paid to repair the tyre pressure sensors and as Oodle had one chance to repair the car and it didn't, Mr E was entitled to

reject the car. She also said Oodle should pay Mr E 15% of each monthly payment for impaired use of the car and pay him £250 for any distress and inconvenience caused.

Mr E agreed. Oodle disagreed. It said that Mr E told D that £800 would cover the cost of any repairs the car required, so it paid this amount to him. D said it told Mr E it would be happy to carry out any repairs, but Mr E refused this. D said it would be happy to carry out all the repairs on the car in return for a refund of the £800 it had already paid Mr E.

Our investigator reconsidered the complaint. She said the supporting information provided by D showed that D was trying to assist Mr E to try and get the repairs carried out and it was Mr E that told D £800 was enough to cover all the required repairs. She said that Oodle should have an opportunity to repair the outstanding fault with the car and said Oodle should pay Mr E 15% of each monthly payment for impaired use of the car and pay him £150 for any distress and inconvenience caused.

Mr E disagreed. He sent a copy of correspondence between himself and D. However, our investigator said she wasn't persuaded to change her opinion. Mr E said he would tell Oodle to collect the car as he wouldn't pay any more money for it. He said the car wouldn't pass an MOT with the faults it had. Mr E said he took the money for the repairs from D as he had to get to work and so, he carried out repairs himself. He said Oodle and D didn't want to help.

Oodle also responded and said that the relationship between D and Mr E had broken down and Mr E accepted £800 in full and final settlement of his complaint. It said if repairs had failed, this was down to Mr E to resolve as he had carried out repairs himself. However, Oodle said it agreed with our investigator's revised assessment.

As Mr E remains in disagreement, the case 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.

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 E was supplied with a car under a hire purchase agreement. This is a regulated consumer credit agreement which means we're able to look into complaints about it.

I've read and considered the whole file and acknowledge that both parties have 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.

In this case, neither party appears to dispute that the car had faults. I'm satisfied, having reviewed all the supporting information, that the car was of unsatisfactory quality at the time it was supplied to Mr E. The outstanding issue for me to decide is whether Oodle has done enough to put things right.

Mr E wants to reject the car. However, Oodle had one chance to repair the car at the time Mr E complained to it. I've seen various correspondence between Mr E, D and Oodle in relation to the repairs carried out. Having reviewed all this information, I'm not persuaded that Oodle has had its one chance to repair all the issues that Mr E complained about in December 2023. I'll explain why.

I've seen the email correspondence between D and Oodle which confirms D is happy to replace the front brake pads and discs and the rear ones and pay to replace the offending tyre pressure sensors. D also said it would be happy to pay for the work to be carried out local to Mr E.

Text messages between Mr E and D also confirm that D will deal with the repairs for the brakes, discs and the tyre pressure sensors. Mr E said, *"there [sic] a company on line where you can pre-coded tpm sensor."* D asked how much it would cost and Mr E said, *"Would it be ok to go and get the stuff from [name] and I'll just do them myself it will save money just want it fixed."* D agreed, said that it was there to help and that it would be happy to pay. It doesn't seem that Mr E provided the details of the company that could supply a pre-coded tyre pressure sensor, as this wasn't included or referenced to in any further correspondence between Mr E and D.

In February 2024, Mr E told D the repair for the brakes and valves would cost £800 and that he didn't have the money to pay this. D told Mr E it would pay this amount to him. Mr E agreed with this amount. Following this, D sent Mr E an email stating following F's report, it would contribute £800 in full and final settlement concerning this issue. Mr E responded saying, *"Yes I accept that the issue will be fixed"*.

Mr E confirmed that he repaired the issues himself. However, it seems that there is still an outstanding issue with the tyre pressure sensors. From the information supplied, Mr E explained that the tyre pressure sensors needed to be coded to the car and only a manufacturer dealership could do that. Mr E said D told him he couldn't do this, however there is no supporting information to suggest this.

So, this means that D hasn't had its one chance to repair the fault with the tyre pressure sensors. At no point in the text messages or email correspondence has D said it would not pay for the repair of the tyre pressure sensors. Instead it seemed that Mr E had difficulty finding a garage to resolve this issue and then he focused on repairing the brakes and discs instead. So, I'm persuaded that Oodle is still entitled to repair the tyre pressure sensors and it should be provided with this opportunity. This means I don't think Mr E is entitled to reject the car. Oodle should however arrange the repair of the tyre pressure sensors.

I understand that Mr E has had problems with the car since it was supplied to him which has impaired his use of the car. He has had ongoing issues with the brakes and the tyre pressure sensors. So, Oodle should pay Mr E 15% of the monthly payments he made from the date of supply until the date of settlement.

In relation to the distress and inconvenience caused, I'm persuaded that Oodle should pay Mr E £150. I can see that Mr E has carried out repairs himself to minimise costs and this would have likely been inconvenient for him. I also understand he took the car to a number of garages in order to obtain repair quotes. Mr E has said he did all this as he needed the car for work. I consider all of this would have likely caused Mr E distress and inconvenience.

My final decision

I uphold Mr E's complaint. Oodle Financial Services Limited should do the following as it has now agreed to do so:

- Arrange for the outstanding repairs to the tyre pressure sensors at no further cost to Mr E;
- Pay Mr E 15% of any monthly payments he has made since the agreement was inception until the repair is completed to the tyre pressure sensors;
- Pay 8% simple interest on all refunded amounts from the date of payment until the date of settlement*; and

- Pay Mr E £150 for any distress and inconvenience caused**.

* If Oodle Financial Services Limited considers that it's required by HM Revenue & Customs to withhold income tax from the interest part of my award, it should tell Mr E how much it's taken off. It should also give Mr E a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

** If Oodle Financial Services Limited does not pay this £150 compensation for distress and inconvenience within 28 days of the date on which we tell it Mr E 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 E to accept or reject my decision before 25 February 2025.

Sonia Ahmed
Ombudsman