

The complaint

Mr B complains that a car he acquired under a hire purchase agreement with Secure Trust Bank Plc, trading as Moneyway ("Moneyway"), wasn't of satisfactory quality.

What happened

In August 2023, Mr B was supplied with a used car through a hire purchase (HP) agreement with Moneyway. The car was around seven years old and had covered approximately 73,000 miles when the agreement started. The agreement was for 59 months and the monthly repayments were £204.82 plus a final payment of £214.82, the cash price was £8,490.

Mr B says soon after acquiring the car he experienced problems and was unable to drive the car. In February 2024 Mr B made a complaint to Moneyway. He explained he was experiencing issues with the car and it had gone in for repair with the supplying dealership. He said the car was eventually returned to him a week later than expected but the issues remained and so he wanted to reject the car.

Mr B says a diagnostic trouble code (DTC) reader evidenced that the problem with the vehicle remained after the repairs had been undertaken. Following Mr B's complaint, Moneyway instructed an independent third-party inspection. In short, the report concluded that the issue was due to a routine maintenance issue and not a direct result of a manufacturing defect.

Moneyway issued its final response letter in June 2024 and didn't uphold the complaint, it said based on the third-party inspection it didn't support rejection for similar reasons outlined in the report.

Our Investigator looked into things and didn't uphold the complaint. She said from the information she had she was not going to recommend Moneyway do anything to put things right as she didn't think the car was of unsatisfactory quality at the point of supply.

Mr B didn't agree, he maintained that the car supplied by Moneyway wasn't of satisfactory quality, so the 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.

Where evidence is incomplete or inconclusive (as some of it is here), I've reached my decision on the balance of probabilities, deciding what I consider most likely to have happened in light of the evidence that is available and the circumstances of this complaint as a whole.

Having done so, I've reached the same overall conclusions as our Investigator and for broadly the same reasons. I know this will come as a disappointment to Mr B, but I will

explain my reasons below. I'd like to make clear that I have also considered Mr B's comments and evidence he provided after our Investigator's opinion.

The hire purchase agreement entered by Mr B is a regulated consumer credit agreement and this Service is able to consider complaints relating to it. Moneyway is also the supplier of the goods under this type of agreement and responsible for a complaint about its quality.

The Consumer Rights Act 2015 (CRA) covers agreements like the one Mr B entered. Because Moneyway supplied the car under a hire purchase agreement, there's an implied term that it is of satisfactory quality at the point of supply. Cars are of satisfactory quality if they are of a standard that a reasonable person would find acceptable, taking into account factors such as the age and mileage of the car and the price paid.

The CRA also says that the quality of goods includes the general state and condition, and other things such as its fitness for purpose, appearance and finish, freedom from minor defects and safety can be aspects of the quality of the goods.

Satisfactory quality also covers durability. For cars, this means the components must last a reasonable amount of time. Of course, durability will depend on various factors. In Mr B's case the car was used and covered approximately 73,000 miles when he acquired it. So, I'd have different expectations of it compared to a brand-new car. Having said that, the car's condition should have met the standard a reasonable person would consider satisfactory, given its age, mileage, and price.

There is no dispute there is a fault with the car – I say this because having reviewed the independent inspection it confirms the engine management light (EML) was illuminated on the car, it also confirmed there were four fault codes present. Mr B also provided images of a DTC reader showing a P0101 fault code was present before and after repairs were completed by the supplying dealership.

As I've outlined above, the car went in for repair in February 2024. Mr B sent Moneyway an image of the DTC reader showing a P0101 fault code being present, the fault code related to the 'mass or volume air flow a circuit range/performance'. Following the repairs, the fault code was still present, Mr B got in touch with Moneyway about this.

There are undoubtedly things that Mr B is dissatisfied with in relation to the car. It's clearly disconcerting for warning lights to illuminate and for fault codes to appear. But I don't consider warning lights or fault codes alone are sufficient to determine that the car was of unsatisfactory quality. Warning lights and diagnostics are intended to alert the driver to a possible problem with the car, rather than being a fault in themselves.

Moneyway instructed an independent inspection to be carried out in April 2024, at this point the vehicle had travelled 79,688 miles. The independent inspection found that the problem was likely with the diesel particulate filter (DPF), a part which can deteriorate through normal use.

I understand the DPF can be cleaned by a process called regeneration which happens during driving. It may be that Mr B's use of the car resulted in less than optimum clearing of the filter. It may also be the case that he could have spotted a problem with the filter sooner and perhaps avoided further damage to the car. The report stated:

'DPF filter issues are common and, from time to time, require specialist cleaning and regenerating. We believe this is the cause of the underlying problems... We are recommending that the DPF filter be taken to a suitably qualified repairer for the DPF filter, not only to be regenerated, but to be cleaned, this should be classed as a routine

maintenance issue, not a direct result of a manufacturing defect’.

For me to recommend Moneyway should accept rejection of the car I’d need to be persuaded that the fault was either present or developing at the point of sale. Or that the business had one opportunity to repair the vehicle and that had failed.

I understand the car went in for repair, but I have no job cards or details showing what repairs were undertaken. But I’ve considered what the independent inspector has said, and I’m satisfied the repairs were in relation to the DPF. I am also satisfied this issue is a maintenance issue and not a manufacturing defect, and so I think on balance, the vehicle was of satisfactory quality when supplied. Further, having reviewed the MOT history I can see the vehicle passed its MOT at the point of sale and so I think its likely the problems are linked to reasonable levels of wear and tear.

The car was seven years old and had travelled about 73,000 miles when Mr B acquired it. I think its fair to say that this car might have needed repair or maintenance work sooner than a newer or less used model. In these circumstances I can’t say that the filter problems were wholly unexpected and outside the likely range of issues such a car might have. I’ve concluded the issues experienced with the car were ultimately down to wear and tear and so not a fault which was present at the point of supply.

Overall, I can’t reasonably find that the car was of unsatisfactory quality when it was supplied.

My final decision

For the reasons outlined above I am not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr B to accept or reject my decision before 22 April 2025.

Rajvinder Pnaiser
Ombudsman