

The complaint

Miss A complains that a car acquired under a hire purchase agreement with Tandem Motor Finance Limited ('Tandem') wasn't of satisfactory quality.

Miss A is represented in this complaint but for ease of reference I have referred to Miss A throughout this decision.

What happened

In August 2023, Miss A was supplied with a used car through a hire purchase (HP) agreement with Tandem. The car was almost ten years old and had covered approximately 61,000 miles when the agreement started. The agreement was for 60 months, and the cash price was £14,950.

Miss A says within two weeks after purchasing the car, the car started to go into limp mode and puffed out white smoke, she also said the steering was out of control. She took the car to a third-party garage who highlighted some issues but didn't think a written report was necessary. Miss A says it advised her to return the car to the supplying dealership. The dealership didn't find any fault with the steering and advised the mechanic was away so it would get in touch with Miss A. Due to work commitments Miss A was unable to revisit the matter with the dealership.

Tandem arranged for an independent inspection of the car to take place. The inspection concluded the damage which had been noted in the report had occurred after the point of sale. Soon after this, in November 2023 a complaint was raised detailing several faults. Tandem looked into things but didn't uphold the complaint, it said taking into account the findings of the independent inspection its investigation into the complaint did not find it had been at fault.

Miss A remained unhappy and so referred her complaint to us. Our Investigator considered the complaint but didn't think it should be upheld. She said from the information she had she was not going to recommend Tandem do anything to put things right as she didn't think the car was of unsatisfactory quality at the point of supply.

Miss A didn't agree, she maintained that the car supplied by Tandem 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 Miss A, but I will explain my reasons below. There are substantial submissions on file. However, I will only be commenting on the evidence I consider key. It is not meant as a discourtesy but reflects my role resolving disputes informally.

The hire purchase agreement entered by Miss A is a regulated consumer credit agreement and this Service is able to consider complaints relating to it. Tandem 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 Miss A entered. Because Tandem 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 Miss A's case the car was used and covered approximately 61,000 miles when she 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.

I've carefully considered Miss A's version of events and the detailed submissions she's provided along with third party opinions. Having done so, it's clear there have been a number of faults with the car which have needed repairing or replacing whilst it's been in her possession. This includes but is not limited to the tyres and the exhaust pipe.

To uphold this complaint, I would need to be persuaded that these faults were present at supply, and they also meant the car was of unsatisfactory quality. I wish to make it clear just because a car has faults doesn't always mean it was of unsatisfactory quality. I must consider other factors, for example the car's age, mileage and use of the car. And I've set out the expectations of a used car above, so I won't repeat them again.

Based on the evidence I have from both parties I'm satisfied there's a fault with the car. I say this because there are various diagnostics from third party garages along with an independent inspection report.

Tandem acknowledged it had a potential liability in respect of the quality of goods it supplied and so it instructed an independent party to carry out an inspection of the car. As a result, a detailed report setting out the professional opinion of the third party was provided and it identified excessive wear and tear to the tyres which had been caused by a wheel alignment issue. The assessor concluded that the issue was not present at the point of sale as the MOT had no advisories. It stated the steering issue resulted from misalignment caused by an impact with a kerb as evidenced by marks on the tyres. This misalignment then led to excessive tyre wear.

I've also seen a copy of the pre-delivery inspection report that was carried out before Miss A took delivery of the car. It doesn't make any reference to any faults identified. I can also see the car passed its MOT (without any advisories in relation to the faults complained of) shortly before Miss A bought it.

Miss A has supplied evidence from a third-party garage and mechanics, but the evidence is inconclusive. I can't see anything that suggests there was a fault or a developing fault at the point of supply. So, I think it's unlikely that the car had problems Miss A now complains of when it was supplied.

Overall, I find the car was of satisfactory quality at supply. I believe the faults identified were a result of wear and tear following Miss A's use of the car, so I won't be asking Tandem to do anything to resolve this complaint.

My final decision

For the reasons set out above, I've decided not to uphold Miss A's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss A to accept or reject my decision before 14 April 2025.

Rajvinder Pnaiser
Ombudsman