

## The complaint

Ms H complains about a car she acquired under a hire purchase agreement with Tandem Motor Finance Limited ("Tandem") wasn't of satisfactory quality.

## What happened

In August 2023 Tandem supplied a car to Ms H under a hire purchase agreement ("HPA"), it was about nine years old and done around 60,000 miles at the point of supply.

In March 2024 the car broke down and an independent garage confirmed it was no longer driveable, so the vehicle remained on its premises. Ms H got in touch with the supplying dealership and was advised to provide an independent report confirming what the faults were with the car.

On 14 March 2024, the inspection was carried out and the independent report concluded that the vehicle had a developing issue at the point of purchase. Ms H sent the report to the supplying dealership with the view of wanting to reject the car. She had been informed by the garage that the car required a full engine rebuild and it would be considered beyond economical repair.

Unfortunately, despite Ms H chasing the dealership for an answer, she wasn't told if rejection of the vehicle would be accepted. In May 2024 it told Ms H that it wasn't supporting rejection and wanted the vehicle to be inspected again. Ms H then complained to Tandem, in short, it accepted rejection of the vehicle and set out how it would put things right. Ms H didn't agree with what it had offered and so the complaint was looked at by our Investigator.

We said the complaint should be upheld, and Tandem should amongst other things offer Ms H £300 distress and inconvenience for the impact the complaint had on her. Tandem didn't agree, it said what it had already paid and offered was reasonable, and so asking it to pay an additional £300 compensation wasn't fair.

I issued a provisional decision on 8 April 2025, where I explained my intention to uphold that complaint. In that decision I said:

*It is no longer disputed that the car had faults which were present or developing at the point of supply, so I intend to uphold this complaint. What remains for me to decide is what I consider to be fair compensation.*

*I agree with our Investigator, I consider Ms H has suffered distress and inconvenience in spending time and effort in bringing her complaint. Ms H had been engaged in discussion with Tandem and other third parties in trying to get the matter resolved. I can't see this has been the smoothest journey and I empathise with Ms H having periods of uncertainty whilst still maintaining her payments for a car she could no longer use.*

*While I acknowledge Tandem addressed complaints within a reasonable timeframe, I believe further action could have been taken earlier. I don't think a second independent inspection was necessary and the right to reject could've been explored much sooner.*

*I must also consider the inconvenience this caused Ms H, she explained this was the only car in the household and therefore heavily relied upon by her family and for her employment commitments. Further, she arranged the initial inspection and would've attended this; she was also given conflicting information about the second inspection. Again, being left for a period of uncertainty as to whether she would be faced with additional financial expenses and how long she'd have to continue making alternative travel arrangements.*

*She's told us the added stress this has all caused and I don't doubt what she's said. In assessing what is fair and reasonable compensation for the distress and inconvenience caused, I find a payment of £300 to reflect the impact this has had on Ms H.*

*Although the car had been registered as off, it was still a requirement of the hire purchase agreement that Ms H continue to insure it. Tandem has already agreed in principle to refund the insurance premiums for four months, but I think its worth mentioning that although the insurance premiums were a legal requirement, given that I think rejection should've been explored much sooner than it was, I do find it fair that Ms H is reimbursed these costs.*

*Ms H has told us she paid a deposit towards the agreement. I acknowledge she has provided a screenshot of a payment being made but I am not satisfied it was towards the deposit of the vehicle. Having considered the HPA it clearly states within the document: "Deposit (including any part exchange allowance) £0.00."*

*Tandem has not supplied a sales invoice, it says the HPA is all it has. If Ms H can provide something else such as the sales invoice confirming the £199, she says was paid towards a deposit I will consider this further. In the meantime, I would also request that Tandem attempt to obtain the sales invoice and for it to forward this for consideration. As it stands, I don't think there is sufficient evidence to support the £199 payment being put towards a deposit.*

*I also understand Ms H wants Tandem to reimburse her for all previous repairs carried out, whilst I acknowledge Tandem have offered to reimburse some of these costs as a gesture of goodwill, it doesn't think it should have to pay them in full. And I am minded to agree, Ms H had acquired a second hand vehicle and I don't think its unreasonable that a car of the age and mileage of this one would have suffered some wear and tear. And so, I won't be recommending Tandem refund any costs of repairs in regard to wear and tear items.*

*The Consumer Rights Act 2015 states that a refund may be reduced to take into account the use a consumer had of a defective product before it was rejected. As Ms H was using the car up to March 2023 and drove it for around 3000 miles, I think it's fair for her to pay for the time she had full use of it. But I've also considered that the car was undriveable since March 2023 and Ms H continued making her monthly repayments so I think it would be fair for Tandem to refund her monthly rental payments from March 2023 to the date of settlement.*

*I'm pleased to see that Tandem has agreed to allow rejection of the vehicle, refund premiums paid towards the agreement as well as four months insurance premiums. It also agreed to reimburse Ms H the cost of arranging the independent inspection and the costs of repairs not relating to wear and tear. It is my understanding that a payment of £670.91 has already been made to Ms H. Accordingly, I will not be instructing Tandem to make any additional payments in relation to the items that have already been redressed.*

*For completeness I will outline below what further steps Tandem need to take to put things right.*

### **Putting things right**

*I am intending to direct Tandem to put things right by:*

- *Arranging for the collection of the car and cancel the remaining finance at no additional cost to Ms H.*
- *Refund Ms H her monthly insurance premiums from March 2023 to the date of settlement.*
- *Refund monthly repayments Ms H made from March 2023 to the date of settlement.*
- *Pay 8% simple yearly interest on all refunded amounts from the date of payments made to the date of settlement.*
- *Pay Ms H £300 for the distress and inconvenience she has experienced.*
- *Remove any adverse information from Ms H's credit file in relation to the agreement.*

## **Responses**

In summary, both Ms H and Tandem accepted my provisional decision to uphold the complaint. Ms H advised that Tandem had provided her with a degree of compensation, although this did not fully reflect the amount identified in my provisional findings. She said that one insurance premium remained outstanding and that no compensatory award had been made inclusive of 8% simple interest.

She further confirmed that she had no additional evidence for me to consider in relation to the deposit paid.

## **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.

As such, I see no compelling reason why I shouldn't now adopt my provisional decision view, as my final decision and ask Tandem to do something to put things right.

## **Putting things right**

I think it's fair for Tandem to:

- Arranging for the collection of the car and cancel the remaining finance at no additional cost to Ms H.
- Refund Ms H her monthly insurance premiums from March 2023 to the date of settlement.
- Refund monthly repayments Ms H made from March 2023 to the date of settlement.
- Pay 8% simple yearly interest on all refunded amounts from the date of payments made to the date of settlement.
- Pay Ms H £300 for the distress and inconvenience she has experienced.
- Remove any adverse information from Ms H's credit file in relation to the agreement.

**My final decision**

I uphold the complaint and direct Tandem Motor Finance Limited to put things right as outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms H to accept or reject my decision before 26 May 2025.

Rajvinder Phaiser  
**Ombudsman**