

## The complaint

Mr Y complains that the car he acquired through Carmoola Limited wasn't of satisfactory quality. He says that the car is not fit for purpose, there's been too many issues, and he wants to reject the car.

## What happened

Mr Y entered into a hire purchase agreement in September 2023 to acquire a used car. The cash price of the car was £11,743, and the total repayable was £15,721, and was to be repaid through the credit agreement which was set up over a 60-month term with monthly payments of £262.00. At the time of acquisition, the car had already been driven nearly 40,000 miles and was around seven years old. Mr Y told us:

- He's had a lot of issues with the car since he acquired it, and had to take it back to the supplying dealership to have some work done on the front suspension; the steering rack; and the air conditioner unit;
- the dealership kept hold of the car for around three months while it awaited parts;
- he's experienced further issues with the car, but as soon as he involved Carmoola in his complaint, the dealership refused to carry out further work, so he got the lights fixed at his own expense and the car had no further issues for a few weeks;
- he then discovered that the indicator in the driver's door mirror had stopped working, and an electrician that he consulted said the car would need a new body control unit at a cost of £700, plus installation and programming;
- he believes a car at this price point and mileage should not encounter the kind of repairs and frequency of faults that this car has.

Carmoola rejected Mr Y's complaint about the quality of the car it had supplied. It said it hadn't seen any evidence that the problems with the car that Mr Y had complained about were present or developing at the point of supply.

It explained that some initial issues with *clunking noises from the front of the car; dashboard warning lights; and a faulty air-con condenser* had been addressed by the supplying dealership after Mr Y agreed to repairs. And it said Mr Y had telephoned it on 5 June 2024 to confirm he was happy with the car after a long trip to Scotland, and that the fault codes had been cleared and the dashboard warning lights had also cleared.

Carmoola says in June 2024, Mr Y contacted it again about further issues; a non-functional indicator in the driver's side mirror, numerous error codes stored in the onboard computer, and suspicions by an auto electrician of prior mishandling of the vehicle. It told Mr Y in view of the time that had elapsed, he'd need an independent engineer to inspect the car – but it said as a gesture of goodwill, it would cover the cost of this.

Carmoola said that the engineer did not identify any underlying issues with the car which would have been present at point of sale. The image of the dashboard provided by the engineer did not show any warning lights currently illuminated, and the only issue identified was that the right indicator side repeater mounted in the driver's door mirror was not working

when checked. But the engineer was of the opinion that this issue was not present or developing at the point of sale.

Carmoola recognised that it hadn't dealt with Mr Y's complaint as effectively as it could've done; it said it had provided him with timeframes of responses to his queries that it did not meet. It offered him £131 – 50% of a monthly payment – in recognition of this.

Carmoola told this Service that although the initial repairs – agreed to by Mr Y – had taken some time, the supplying dealership had kept Mr Y mobile by providing him with a courtesy car.

Our investigator looked at this complaint and said she didn't think a complaint about the quality of the supplied car should be upheld. She explained the relevance of the Consumer Rights Act 2015 in this particular case and said that although there was no dispute that there was a fault with the car but, based on the independent inspector's report, she thought it was more likely that the issues Mr Y experienced were not present or developing at the point of supply.

Mr Y disagrees so the complaint comes to me to decide. He says that the issues he's experienced with this car should not be expected in a car of its age and mileage.

### **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.

Having done so, I agree with our investigator, I don't think this complaint should be upheld. I'll explain why.

I hope that Mr Y won't take it as a discourtesy that I've condensed his complaint in the way that I have. Ours is an informal dispute resolution service, and I've concentrated on what I consider to be the crux of this complaint. Our rules allow me to do that. Mr Y should note, however, that although I may not address each individual point that he's raised, I have given careful consideration to all of his submissions before arriving at my decision.

When looking at this complaint I need to have regard to the relevant laws and regulations, but I am not bound by them when I consider what is fair and reasonable.

As the hire purchase agreement entered into by Mr Y is a regulated consumer credit agreement this Service is able to consider complaints relating to it. Carmoola is also the supplier of the goods under this type of agreement, and it is responsible for a complaint about their quality.

Under the Consumer Rights Act 2015 ("CRA") there is an implied term that when goods are supplied "the quality of the goods is satisfactory". The relevant law says that the quality of the goods is satisfactory if they meet the standard that a reasonable person would consider satisfactory taking into account any description of the goods, price and all other relevant circumstances.

The relevant law also says that the quality of the goods includes their general state and condition, and other things like their fitness for purpose, appearance and finish, freedom from minor defects, safety, and durability can be aspects of the quality of the goods. So, what I need to consider in this case is whether the car supplied to Mr Y was of satisfactory quality or not.

The CRA also says that, where a fault is identified within the first six months, it's assumed the fault was present when the car was supplied, unless Carmoola can show otherwise. But, if the fault is identified after the first six months, then it's for Mr Y to show the fault was present when he first acquired the car. So, if I thought the car was faulty when Mr Y took possession of it, and this made the car not of a satisfactory quality, it'd be fair and reasonable to ask Carmoola to put this right.

I don't think there's any dispute that Mr Y has experienced problems with the car. That has been well evidenced by both his testimony and the information he's sent us.

Under the CRA, the supplier has one opportunity to repair issues that could be assumed to have been present or developing at the point of supply. In this case, I'm persuaded that the problems Mr Y experienced with the front suspension; the steering rack; and the air-con condenser were present or developing at the point of supply – they materialised very soon after Mr Y acquired the car. But Mr Y agreed to repairs and they appear to have been successful; I've seen no evidence that these repairs subsequently failed. And I've noted that he was kept mobile throughout with the provision of a courtesy car.

Next, I've considered very carefully the later faults Mr Y complained about to Carmoola:

- a non-functional indicator in the driver's side mirror
- numerous error codes stored in the onboard computer, and
- suspicions by an auto electrician of prior mishandling of the vehicle.

But whilst I accept there is a fault with the indicator in the driver's side mirror, Carmoola would only be responsible for putting things right if I'm satisfied that this issue was present or developing when the car was supplied – that is to say, the car wasn't of satisfactory quality when Mr Y first acquired it.

Although more than six months had elapsed before Mr Y complained about this fault, I'm pleased to see that Carmoola assisted him by instructing and paying for an independent assessment of the car. I say this because it's not always easy or clear to the general public how to go about arranging an independent inspection.

The third party instructed by Carmoola to carry out an independent inspection of Mr Y's car is a recognised and trusted expert in this arena. And it's clear that it was provided with an accurate background that clearly set out the issues.

The report says “...*The right indicator side repeater mounted in the drivers door mirror was not working when checked...All remaining indicators worked on the vehicle as expected*”.

So, I'm satisfied that the fault that Mr Y complained of is present and is as he described.

But the simple existence of the fault in itself isn't enough to hold Carmoola responsible for repairing the car or accepting its rejection. The legislation says that this will only be the case if the fault was present or developing at the point of supply; the car supplied was not of satisfactory quality.

The independent engineer concluded that “*The multiple codes described by the customer seem to have been deleted*” And they said that although “*it is not possible to comment on the cause of the indicator side repeater not working without further investigation or information provided*” they concluded that “*the current issues in the opinion of the engineer were not present or developing at the point of sale*”.

In conclusion, I've seen no evidence of failed repairs, or of any outstanding issues or faults that were present or developing at the point of supply. Because of this I can't say that the car was of unsatisfactory quality when it was supplied.

Mr Y says he's not received the payment of £131 that Carmoola offered him in recognition of the service it provided him. Carmoola says Mr Y didn't let it know that he accepted its offer. If Mr Y now wishes to accept Carmoola's gesture of goodwill, he should contact it directly to see if it's still available.

Taking into account all the evidence, I can't uphold this complaint. I know Mr Y will be disappointed with this decision, but I hope he understands why I've reached the conclusions that I have.

### **My final decision**

My final decision is that I do not uphold this complaint.

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

Andrew Macnamara  
**Ombudsman**