

## **The complaint**

Mr P complains that a car that was supplied to him under a hire purchase agreement with Aldermore Bank plc was misrepresented to him and wasn't of satisfactory quality. Mr P is being represented in his complaint by a legal adviser.

## **What happened**

A used car was supplied to Mr P under a hire purchase agreement with Aldermore Bank in October 2021. The price of the car was £114,000, Mr P made an advance payment of £15,000 and he agreed to make 48 monthly payments of £1,245.70 and a final payment of £60,000 to Aldermore Bank. The dealer agreed to provide a ceramic coating to the car's paintwork.

Mr P says that the window tint started peeling so he took the car to a garage in May 2022 and it completed the required remedial work. He says that the garage advised him that there were paint issues on the front bumper which hadn't been colour corrected properly and the car hadn't been ceramic coated correctly as the back third of the car hadn't been treated. Mr P paid £1,380 for a paintwork enhancement. He then complained to the dealer. The dealer says that it offered to refund £1,380 to Mr P as a goodwill gesture but that was refused as Mr P wanted it to buy the car back and refund him in full.

Mr P complained to Aldermore Bank and it responded to his complaint in October 2023. It said that, as Mr P had had possession of the car for longer than six months, it would require an independent engineer's report demonstrating that the car was either not fit for purpose or not of satisfactory quality at the point of sale. It also said that it believed that it had acted appropriately so couldn't uphold his complaint.

Mr P arranged for the car to be inspected in November 2023 and the inspection report said that it was evident that the front bumper had been subject to paint repairs and that the cosmetic condition of the car would affect its value and desirability. Mr P's legal adviser wrote to Aldermore Bank in January 2024 and said that the dealer had misrepresented the car to Mr P and had supplied him with a car that wasn't original and had had substandard repairs, which hadn't been repaired, so Mr P was entitled to reject the car.

Mr P complained to this service in March 2024 and a copy of the inspection report was provided to Aldermore Bank. It then offered that the dealer would arrange for the ceramic coating to be re-done and the bumper re sprayed at no cost to Mr P, to pay the cost of the independent engineer's report back to Mr P, with interest, and to pay £250 to Mr P for the distress and inconvenience that he'd been caused.

Mr P's complaint was looked at by one of this service's investigators who, having considered everything, agreed with the offer put forward by Aldermore Bank that it would be fair for it to pay for the bumper to be resprayed but Mr P had already had the ceramic coating reapplied so he thought that it should reimburse Mr P for the cost of that, with interest. He recommended that Aldermore Bank should: cover the cost of a third party repairing the front bumper issue; reimburse Mr P for the cost of the ceramic coating, with interest; reimburse Mr P for the cost of the independent inspection, with interest (once he's provided proof of

that cost); and pay him £250 compensation for the distress and inconvenience caused by dealing with the faults with the car.

Mr P didn't accept the investigator's recommendation and has asked for his complaint to be considered by an ombudsman. He says that he's struggling financially because of the car issue and he can't use or sell the car and he's provided evidence showing that his direct debit for his children's school fees was returned unpaid. He says that this is causing him and his family extreme stress and poor mental health. His legal adviser has provided a detailed response to the investigator's recommendation which concludes that the contract should be unwound.

### **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.

Aldermore Bank, as the supplier of the car, was responsible for ensuring that it was of satisfactory quality when it was supplied to Mr P. Whether or not it was of satisfactory quality at that time will depend on a number of factors, including the age and mileage of the car and the price that was paid for it. The car that was supplied to Mr P was about two years old, had been driven for 6,670 miles and had a price of £114,000. Satisfactory quality also covers durability which means that the components within the car must be durable and last a reasonable amount of time – but exactly how long that time is will depend on a number of factors.

Mr P says that the window tint started peeling so he took the car to a garage in May 2022 and it completed the required remedial work. I consider that to have been a fair and reasonable response to those issues. The dealer had agreed to provide a ceramic coating to the car's paintwork before the car was supplied to Mr P. The garage advised him in May 2022 that there were paint issues on the front bumper which hadn't been colour corrected properly and that the car hadn't been ceramic coated correctly as the back third of the car hadn't been treated.

The dealer says that it would have been highly unusual for its valet team not to have applied the coating correctly and that this is the only complaint on the quality of its work that it has received. It has provided a copy of its internal invoice that shows that the ceramic coating pack was supplied to the valet team for application and says that the remainder of the pack is also placed in a product bag in the boot of the car on delivery.

Mr P paid £1,380 for a paintwork enhancement and the dealer says that it offered to refund £1,380 to Mr P as a goodwill gesture but that was refused as Mr P wanted it to buy the car back and refund him in full. Mr P arranged for the car to be inspected in November 2023. The inspection report records the car's mileage as 19,354 miles and says:

*"It is evident that the front bumper has been subject to paint repairs. Whilst a commercially acceptable paint finish has been achieved, due to colour inconsistencies between the bumper and the adjacent panels I do not consider that the overall repair is of a commercially acceptable standard ... In my experience the vehicles evident cosmetic condition will affect its value and desirability".*

When that report was provided to Aldermore Bank, it offered that the dealer would arrange for the ceramic coating to be re-done and the bumper re sprayed at no cost to Mr P, to pay the cost of the independent engineer's report back to Mr P, with interest, and to pay £250 to Mr P for the distress and inconvenience that he'd been caused.

Mr P paid £1,380 to the garage in May 2022 for the ceramic coating application so I don't consider that the dealer should arrange for the ceramic coating to be re-done. I consider it to be clear from what that garage said and the November 2023 inspection report that there's an issue with the paintwork on the bumper. Aldermore Bank has offered that the dealer will arrange for the bumper to be re-sprayed at no cost to Mr P and I consider the offer of a re-spray to be a fair and reasonable response to the issues with the bumper. Mr P lives a long way from the dealer so I consider that it would be fair and reasonable for Aldermore Bank to ensure that the respray takes place at a location that is convenient for Mr P.

I've carefully considered what Mr P has said and the submissions made by his legal adviser. Mr P was able to use the car between October 2021 and May 2022 and didn't contact the dealer or Aldermore Bank about any issues with the paintwork or the bumper until after he'd been advised of those issues by the garage. I don't consider that the issues with the bumper should have affected Mr P's use of the car and the evidence shows that between October 2021 and November 2023 he was able to drive more than 12,000 miles in the car.

I'm not persuaded that there's enough evidence to show that the dealer misrepresented the car to Mr P or that it would be fair or reasonable in these circumstances for me to require Aldermore Bank to allow Mr P to reject the car. Aldermore Bank also offered to pay the cost of the independent engineer's report back to Mr P, with interest, and to pay £250 to Mr P for the distress and inconvenience that he'd been caused.

Mr P has raised concerns about the dealer's customer service and its lack of communication but this complaint is about Aldermore Bank and I can't make any findings about the dealer's customer service and lack of communication. I agree with the investigator that Mr P's complaint should be upheld and I consider that Aldermore Bank should take the actions set out below.

### **Putting things right**

I find that it would be fair and reasonable in these circumstances for Aldermore Bank to arrange and pay for the car's bumper to be resprayed at a location convenient for Mr P. I also find that it would be fair and reasonable for it to pay £1,380 to Mr P to reimburse him for the cost of the ceramic coating that he paid for in May 2022, with interest. Mr P also paid for the November 2023 inspection of the car and I find that it would be fair and reasonable for it to reimburse him for the cost of the inspection, with interest, if he provides it with evidence of that cost.

These events have caused distress and inconvenience for Mr P. I find that it would be fair and reasonable for Aldermore Bank to pay him £250 to compensate him for that distress and inconvenience. Mr P has referred to his financial struggles and the stress and poor mental health that has been caused, but I'm not persuaded that a higher award of compensation is justified in these circumstances. Nor am I persuaded that it would be fair or reasonable for me to require Aldermore Bank to take any other actions in response to Mr P's complaint.

If the financial struggles that Mr P has described mean that he can't afford to make the monthly payments due to Aldermore Bank under the hire purchase agreement, I suggest that he contacts Aldermore Bank and explains to it his financial difficulties (but I note that he said in an email that he sent to the manufacturer in September 2023 that he'd purchased a second car from that manufacturer that year). Aldermore Bank is required to respond to any financial difficulties that Mr P is experiencing positively and sympathetically.

### **My final decision**

My decision is that I uphold Mr P's complaint in part and I order Aldermore Bank plc to:

1. Arrange and pay for the car's bumper to be resprayed at a location convenient for Mr P.
2. Pay £1,380 to Mr P to reimburse him for the cost of the ceramic coating that he paid for in May 2022.
3. Reimburse Mr P for the cost of the November 2023 inspection, if he provides it with evidence of that cost.
4. Pay interest on the amounts at 2 and 3 above at an annual rate of 8% simple from the date of each payment to the date of settlement.
5. Pay £250 to Mr P to compensate him for the distress and inconvenience that he's been caused.

HM Revenue & Customs requires Aldermore Bank to deduct tax from the interest payment referred to at 4 above. Aldermore Bank must give Mr P a certificate showing how much tax it's deducted if he asks it for one.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 13 March 2025.

Jarrold Hastings  
**Ombudsman**