

## The complaint

Miss W complains about a car acquired through a Hire Purchase agreement with Specialist Motor Finance Limited ('Specialist'). She had to call out a roadside recovery firm three times in the first few months. She no longer wants the car and wants a refund of her payments.

## What happened

Miss W acquired the car in April 2023. When it was supplied, it was eight years and nine months old, had covered 81,128 miles and cost £6,238.00.

The car broke down in May 2023. A roadside report, where the mileage was 81,432, found a coolant leak from the back of the engine. A brass fitting had been installed to join different-sized hoses, which was leaking under pressure. There were also a number of fault codes.

The car broke down again in September 2023, where the mileage was 84,736. A breakdown report noted a suspected failed starter motor and said the car should be taken straight to a garage. A garage carried out a diagnostic but only replaced the battery, noting the wrong battery type had been installed. This cost £276.

But a few days later, another breakdown report said the starter motor hadn't been replaced by the garage the car was dropped at. It only replaced the battery. This garage reviewed the car again towards the end of September 2023 as it wasn't starting. The diagnostic, starter motor, and 'electrician' cost £312. A few days later they looked at a misfire issue. The invoice included a coil pack, plug and diagnostic, costing £156.

Miss W says her garage also told her the bumper brackets were broken and the headlight had been glued which indicated the car had been in an accident. Her local garage told her there were quality issues she should raise with the dealership.

Miss W complained and got a response from her broker in October 2023. This said the dealer arranged an inspection which indicated a third party had damaged a pipe and caused engine damage, requiring a replacement engine. This work was unauthorised and the poor quality of that repair caused the issues now being experienced. Nevertheless, the dealer was willing to replace the engine for £1,400 plus VAT as a gesture of goodwill. They said if Miss W didn't want the work carried out then she would need to collect the car to avoid storage costs. This response was also forwarded to Specialist.

Miss W complained to Specialist in October 2023 and received a response in December 2023. It said the dealership had repaired a coolant pipe in May 2023. But it wasn't responsible for any faulty repairs carried out by any third parties.

The car remained at the dealership. An inspection was carried out in February 2024, by which time the car had covered 84,784 miles. It found coolant *"leaking out of the coolant housing hose connector which is mounted on the cylinder head, above the gear box. The coolant hose has come off the coolant housing [it] did not have a [manufacturer] type hose clip...a jubilee clip had been fitted...[which was] found to be lose[sic] & not tight."*

It found the engine would run but had an injection warning light, so further diagnostics would be needed to confirm if any engine damage had occurred as a result of the coolant leak.

Miss W contacted Specialist again in March 2024 saying she hadn't been able to resolve the matter and she'd been told to collect the car. As the matter hadn't been resolved, Miss W referred the complaint to our service.

While the complaint was with our service, the dealership provided Specialist with further comments. They said they had been contacted within a week of Miss W acquiring the car because of a coolant leak from a hose connector at the back left of the engine bay, but this was minor and they repaired this issue. They said the next time they became aware of any issues was in October 2023 after Miss W had covered a further 3,500 miles.

They said this was after Miss W had repairs carried out by a third party. They said repairs had been carried out on parts that didn't need repair and some extensive repairs lead to faults later on. They said the replacement of the starter motor would have required removing the front bumper, coolant pipes and radiator – and the garage had confirmed it had done this. They said after collecting the car, they inspected it and found the car had a lack of water and had overheated, and a clip was loose on a coolant hose at the front right of the engine. It said this hose had been removed during the starter motor replacement and a non-genuine clip was used which wasn't tightened enough. They said this led to the rapid coolant loss, the engine overheating and ultimately engine failure.

The investigator who first considered the complaint initially thought Miss W should be able to reject the car because there was a coolant leak in the first few days, and there wasn't enough evidence to say the later coolant leak was caused by poor third party repairs.

Miss W said she wanted the cost of her deposit back too – as when she part exchanged her car it came off the cost price of the car. She also had belongings left in the car she needed to retrieve and she's continued to insure the car despite not having it in her possession.

Specialist said after the initial repairs Miss W was able to use the car without issue and it was only after a third party undertook repairs that problems started. The dealership said that the coolant leak from the first repair hadn't been noted during any of the subsequent inspections, and the car had travelled around 3,500 miles, so the repairs were satisfactory. They reiterated the repair of the starter motor required removing the coolant pipe at the front and it was reinstalled incorrectly. They also reiterated that they didn't inspect the car, it arranged for a manufacturer-specialist dealership to inspect it.

The garage Miss W used explained there was never a need to remove the coolant pipe at the back of the engine. And it said it didn't replace anything. Miss W explained that the original breakdown report highlighted the non-standard attachment on the pipe, so this must have been a fault from the start and not something her garage would have fitted.

At the end of July 2024, Specialist then asked for an inspection to be carried out. Miss W felt this further delay wasn't fair given the evidence she'd already provided. She was concerned that something might be done to the car to influence the outcome of the inspection.

The inspection was carried out early in August 2024. This inspector had copies of all the relevant reports, invoices and submissions up to that point. They said there was no sign of leaks around the first repair. But the radiator hose at the front was loose as a result of a loose jubilee clip and this indicated some form of repair had taken place, but there were no leaks from the area of the original repair in May 2023. So these didn't seem to be linked.

They said the car had operated as intended until immediately after the starter motor was replaced. They thought the third party likely dislodged the pipe even if it wasn't removed during the starter motor replacement. They said this loose clip would have been evident if checks had been completed after these repairs.

Specialist provided further comments from the dealership on the matter. They thought Miss W's garage had misunderstood what was now at fault. The garage said they hadn't touched the back of the radiator, but they did say they'd done work on or near the radiator.

Miss W said what this third party was being accused of had now changed – where they'd initially said a new pipe and a non-standard part had been installed. And after they knew the starter motor was replaced through the front of the car, it was now being alleged that the leak was coming from a different pipe at the front of the car. She said the dealer hid the fact she part-exchanged her car and she thought she only had three months warranty.

The investigator considered all these new arguments and evidence. They thought the engineer's report was detailed and persuasive that the initial repairs hadn't failed and that the current fault wasn't present or developing at the point of supply. Miss W disagreed.

She said the manufacturer report says the leak was caused by the coolant pipe coming from the coolant housing at the back of the car. She said the breakdown mechanic and manufacturer inspection both found the fault lay with the part that was originally repaired. However now the fault that had been found twice before is now showing as fully repaired.

Miss W contacted an engineer to get their comments on the reports carried out so far. They felt the dealership's latest inspection didn't have enough evidence to say the starter motor repair interfered with the pipe and has now caused a problem. They said they hadn't seen the car but did note the invoices and reports they'd seen.

This didn't change the investigator's opinion. Miss W asked for the case to be reviewed by an ombudsman and so it has been passed to me to issue a final decision.

### **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.

I'm required to take into account the relevant laws and regulations; regulators rules, guidance, and standards; codes of practice and, when appropriate, what I consider to have been good industry practice at the relevant time. I may not comment on every point that's been raised, but I have read and considered everything that's been said. Instead I will focus on what I think are the key points to reach a fair and reasonable decision. This reflects the nature of our service which was set up to be an informal alternative to the courts.

Where information or evidence is missing or contradictory, I'll make my decision based on the balance of probabilities – that means what I consider to have more likely than not happened – given the available information.

I will lay out what I consider to be the key facts and the considerations I've taken into account when reaching my decision. The evidence has been confusing and contradictory. This has meant going into some detail here about the various reports and submissions provided. However there are some important aspects that have led me to my determination.

Miss W acquired the car through a Hire Purchase agreement with Specialist. Under this type of arrangement, Specialist became the supplier of the car and is responsible if the goods

aren't of satisfactory quality when provided. The key legislation for me to consider in complaints of this nature is the Consumer Rights Act 2015 ('CRA'). This outlines, among other things, that goods should be of satisfactory quality at the time they're supplied.

Satisfactory quality is described as the standard a reasonable person would expect given, among other things, the description, age and price of the goods. The quality of the goods includes their state and condition - and where appropriate their fitness for purpose, appearance, freedom from minor defects, safety and durability should be taken into account.

As I've said above, when the car was supplied, it was eight years and nine months old and had covered 81,128 miles. The invoice I've seen says the sale price was £6,238 and Miss W paid a deposit of £100. She says she part-exchanged her car and this brought the sales price down, but I haven't seen any evidence to support this.

The car was supplied with substantial mileage. In those circumstances you would not expect it to perform as well as a newer, less-used equivalent. It would have experienced wear and tear over time, may have cosmetic issues and may require more frequent servicing. However that doesn't mean it's automatically reasonable for faults to occur at any time.

The roadside report from May 2023 shows there was a fault with the car very quickly. You would not expect this sort of failure so soon after acquiring a car and this was clearly an issue that would've been present at the point of supply. This was repaired by the dealership at no cost to Miss W. This was a relatively minor repair, which I think was reasonable.

The longer it is from the point of supply that a fault arises, or the more a car is used, the more difficult it is to establish whether a fault stemmed from an issue that would've been there at the point of supply. There doesn't seem to have been any further issues until September 2023. At this time the car broke down five months after first being supplied, after the car had covered over 3,500 miles – and after the car had been repaired once already.

At this point the starter motor failed, but the garage it was taken to only replaced the battery. It seems the car didn't have a start-stop battery. I haven't seen any indication that Miss W installed this battery. I think this battery was most likely in place when the car was supplied. While this isn't the optimal battery for the car, I don't think that automatically makes the car not of satisfactory quality. I also haven't seen evidence to say the battery itself was faulty.

Had there been a battery issue that made the car not of satisfactory quality, I wouldn't have expected it to work for as long as it did. Although the recommended battery wasn't fitted, it seems it was the starter motor that had failed and no evidence has been provided to say the battery was a contributory factor to this. After the battery was replaced, the car almost immediately broke down and the starter motor was then replaced. A few days later the car failed and the significant coolant leak was found.

From this point onwards, the dispute has focused on whether the source of this leak stemmed from the original repair carried out by the dealership or if it was different leak caused by the work carried out by a third party. Before considering that, I have to establish whether the starter motor fault is something Specialist is responsible for.

While I can see Miss W paid to get the battery replaced, I haven't seen any argument or evidence to the effect that the existing battery would have contributed to the starter motor failing sooner than it would have otherwise. The starter motor failed when the car was just over nine years old and after it had completed almost 85,000 miles. This may not be at the upper end of the expected lifespan of a starter motor, but equally it's not unreasonably low such that it makes it failing at this point unreasonable.

If this was a much newer car, I wouldn't necessarily expect the starter motor to fail within five months and 3,500 miles of supply. But given the age and mileage of the car at the point of supply, I'm not persuaded that it failed prematurely. I haven't seen persuasive evidence that the later issues with the starter motor made the car not of satisfactory quality when it was supplied. A misfire issue needed to be attended to a few days after the starter motor was replaced. There isn't much information about this issue but it's quite possibly the consequence of the significant coolant leak and subsequent engine failure. So, the available evidence doesn't persuade me this or related faults are the supplier's responsibility.

The battery and starter motor replacement are both relatively simple jobs that ought to have been corrected without any significant complications. Miss W seems to have had a warranty, but she thought she didn't and paid for all the repairs herself. While it's possible the warranty might have covered the cost of these repairs, I haven't been provided with evidence that Miss W was unfairly prevented from pursuing a warranty claim or that Specialist as a finance provider has any liability here as a result of any difficulty she had in doing so.

As I said before the dispute centred on the source of a coolant leak and whether this was the failure of the dealership's earlier repair or a third party dislodging a different pipe while replacing the starter motor. If a third party's action impacted the car's condition then this will likely impact any conclusion I might draw. Whereas if this issue was the result of the car not being of satisfactory quality, through either a durability issue, the supplier's failed repair or something else then my conclusions may differ.

The dealership say they repaired a leak at the back left of the engine and in none of the subsequent reports has there been a mention of a further leak from that area. So they maintain that their initial repair isn't connected to the later failure of the car. They say the fact things went wrong immediately after a third party replaced the starter motor indicates this was connected to the problems that followed.

The dealership say this third party confirmed to them that they'd removed the front bumper, coolant pipes and radiator in order to replace the starter motor – and it was here that the coolant pipes weren't reaffixed properly. But this third party says they removed the bumper, the bolts from the top of the radiator and front cross member. But they had no need to touch the coolant pipe at the back of the engine and didn't replace any parts in the car. These comments seem to be based on the recent leak coming from the back of the engine – and them not interfering with that. But what's being said is that it's the coolant pipe connected to the radiator at the front of the engine that's now leaking. As work was being done on or near this area at the front of the engine, I can't exclude the possibility that these are linked.

Miss W said the non-standard fitting causing the engine leak was mentioned in the recovery report from May 2023, so this must be what cropped up later. However this report referenced the "*Coolant leak from the back of engine*" – rather than the leak at the front of the engine which seems to have led to the ultimate failure of the car.

This roadside report mentions "*some sort of brass fitting in hose to step down from one diameter hose to a smaller one*", but it doesn't mention a jubilee clip, which is a common component. Later inspections said it was the loose jubilee clip that caused the problems. The later report confirmed there's no evidence of leaks from the area initially repaired.

These matters haven't been all that clear and the information is conflicting. I appreciate why Miss W feels as though the narrative has changed around which components have failed, and when. Having carefully read all of the materials, I'm persuaded that the reports are referring to different components and areas of the engine having failed at different times.

The most recent inspection of the car had sight of all the important invoices, reports and evidence. This inspection confirmed there was no evidence of a leak from the pipe that was fixed in May 2023. But it did find that the radiator hose at the front had a non-standard fitting and hadn't been fixed properly. Given how soon issues arose after the starter motor was replaced it said it seemed as though this is what caused the problems with the car.

While the hose itself may not have been removed, they thought it was likely at minimum to have been dislodged while replacing the starter motor and any issues with the hose ought to have been noticed once the replacement was completed. As such the conclusions of this report were that the issues stemmed from these repairs. I find this account most persuasive.

None of the reports or invoices prior to the starter motor replacement mention a coolant leak from the front of the engine. Either this went unnoticed the whole time or it was caused later. I'm not persuaded this fault existed until after the starter motor was replaced. And none of the later inspections report a coolant leak from the original repair at the back of the engine.

Miss W says she was told there seemed to be accident damage on the car. I don't discount that there may be damage on the car, however I don't think this is significantly out of kilter with the price, age and use of the car when it was supplied and haven't seen any other evidence to persuade me that this made the car not of satisfactory quality.

I acknowledge this has been a long, drawn out matter for Miss W and much of this is not of her making. However I have to assess the liability of Specialist as a finance provider. The initial faults were satisfactorily remedied and I haven't found persuasive evidence of further issues with the car that made it not of satisfactory quality. I note the dealer's offer to assist in the engine replacement, I can't comment on that as I'm looking at Specialist and its liability for the complaint. Should Miss W wish to explore that further, this would be a matter between her and the dealership.

### **My final decision**

My final decision is that I do not uphold Miss W's complaint against Specialist Motor Finance Limited.

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

Scott Walker  
**Ombudsman**