

The complaint

Miss W is unhappy with the quality of a car supplied by Go Car Credit Limited using a hire purchase agreement.

What happened

Miss W acquired her car using a hire purchase agreement from Go Car Credit Limited in August 2023 for £8,995. It had been driven 62,560 miles and was around seven years old.

Miss W has experienced multiple issues with her car since collecting it in September 2023. This included problems with the master cylinder, clutch, slave cylinder and gearbox. These issues were repaired by the dealer, but Miss W was without a car while this was happening. Miss W also said a tyre was leaking air and the dealer attempted a further repair.

In November 2023, Miss W reported further issues such as the display screen flickering and the tyre continuing to leak. She also said there was a squeak when the car went over bumps and that there was a noise coming from the left-hand side of the car.

By February 2024, Miss W said the noise from the left-hand side of the car had got worse, and the car now pulled to the left. She also said the number plate bulb was failing, there was a warning light for traction control, the tyre was still losing air, and the headlights were foggy when it was raining or cold.

Miss W complained to Go Car Credit in February 2024 and asked them to allow her to reject the car. She said it was unsafe and not fit for purpose. As a result of her concerns, she limited her use of the car substantially. After investigating her complaint, Go Car Credit said the repairs had been carried out, so Miss W needed to collect the car.

After collection, Miss W said she felt the repairs hadn't fixed the issues. So, in April 2024 she paid for an inspection to be carried out which confirmed that there were repairs still outstanding. It said there were problems with tyre inflation and the car pulling to the left. It couldn't find any issues with traction control or the head light flickering. It said the car was roadworthy but recommended further investigations.

Go Car Credit said that as the car was deemed to be roadworthy they wouldn't investigate her complaint further.

Unhappy with this response, Miss W brought her complaint to our service.

During the investigations, Go Car Credit agreed to pay for an independent report in August 2024. The report confirmed that there were outstanding repairs needed on the car. This included problems with tyre inflation and the car veering to one side. The mileage at this time was 65,995.

After considering everything, the investigator felt there was enough evidence to conclude that the car was not of satisfactory quality at the point of supply. She said that Go Car Credit should allow for Miss W to reject the car, refund her any payments made on the agreement

from February 2024 and reimburse her what she paid for the independent report. She said they should pay 8% simple interest on these amounts.

She also said that any adverse information from the credit reference agencies should be removed. She said Go Car Credit should pay £250 for the distress and inconvenience all this has caused.

As Go Car Credit disagreed with her findings, the case has been passed for me to review.

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.

Miss W acquired the car using a hire purchase agreement and so The Consumer Rights Act 2015 (CRA) is the relevant legislation for this complaint. The Act sets out expectations and requirements around the quality of goods supplied. In summary, goods should be of satisfactory quality. Satisfactory quality is essentially based upon what a reasonable person would consider to be satisfactory. In instances like this when considering the quality of a car, the age, mileage and price are some of the things that I think would be considered to be reasonable to take into account.

The CRA gives consumers 30 days to reject the goods if they are deemed to be faulty when supplied. If the purchased goods are found to be defective after 30 days but within six months, then the supplier must be given one opportunity to repair or replace the goods.

Since acquiring the car, Miss W has experienced a number of issues with it which she reported to the dealership. I've seen job cards which confirm that some of these issues have been fixed but some haven't been.

In particular, a job card from February 2024 lists issues such as traction control and deflated tyres. To repair these, the dealership replaced the brake calliper, rear brake pads and discs, adjusted the tracking and replaced the number plate bulb. The mileage at this time was 65,641.

The latest inspection report carried out in August 2024 confirmed that the car still had tyre inflation issues and that it veered to the side. The mileage at this point was 65,995. There were also other issues reported by Miss W which the report didn't comment on.

I've considered that Miss W first reported issues with the inflation of the tyres in September 2023 (one month after the car was supplied.) She reported that the car was veering to the side in February 2024 but mentioned a noise coming from the left-hand side of the car before then.

I think the dealership had the opportunity to repair these issues in February 2024. But, the independent inspection report confirms that these problems are still outstanding.

The report also says that it doesn't think the problems were present at the time of sale. But it gives the reason for this as the car being in Miss W's permission for eleven months. I can't see any evidence to show the inspector was told when Miss W first reported these issues. I've also considered that the report is brief and doesn't comment on all of the issues reported. And so, on balance, I don't find its account on the car's quality at the time of supply persuasive.

Instead, I've thought about the mileage the car had been driven since Miss W acquired it, the

problems Miss W reported, and the repairs that were carried out. I also can't ignore that the report paid for by Miss W in April confirmed that these same issues existed at this time too.

On balance, I don't think a reasonable person would consider the car to be of satisfactory quality considering the issues it's had for its age and mileage. And so, I don't think, under the CRA, that it was of satisfactory quality when it was supplied.

I think the supplier has been given an opportunity to repair in February 2024, which is what it is entitled to as a remedy under the CRA. As the issues are still present after the attempted repair, Miss W should now be allowed to reject the car.

In rejecting the car, Go Car Credit should unwind the agreement so Miss W has nothing further to pay and collect the car at no further cost to her. As part of this, they should remove any adverse information from the details held with the credit reference agencies.

Miss W's car has been in garages for repairs and inspections multiple times, and she was without a car during these times. She also significantly reduced her usage of it since February 2024 due to her concerns over safety. This is evidenced by the lack of miles the car had been driven since February 2024 and independent inspection in August 2024.

While I've considered that the reports state that the car is roadworthy, I don't think it's unreasonable that Miss W made the decision to limit her usage bearing in mind the car was pulling to the left. And that the independent inspection report said that the steering wheel needed to be held 'past the hour' for the car to drive straight.

And so, Go Car Credit should refund the payments made from February 2024 to account for the time Miss W was unable to have full use of her car.

They should also refund the £130 she paid for the inspection report.

Go Car Credit should pay 8% simple interest on these amounts from the date Miss W paid them to the settlement of this complaint. This is because Miss W has been without use of these funds.

I also think Go Car Credit should pay Miss W £250 for the distress and inconvenience she has experienced as a result of the faulty car. I say this because Miss W has had the inconvenience and distress of having to take her car for numerous repairs and inspections. She also had the inconvenience of arranging for a report to be carried out on the car. I can understand why Miss W would've found all that has happened frustrating. She has explained that her commute to work was significantly increased because of being without a car. And so, I think £250 acknowledges the distress and inconvenience she would've experienced.

Putting things right

My final decision is that I uphold this complaint and ask Go Car Credit Limited to:

1. Unwind the agreement so Miss W has nothing further to pay;
2. Collect the car at no extra cost to Miss W;
3. Refund Miss W the repayments she made from February 2024;
4. Reimburse Miss W the £130 she paid for the independent report in April 2024;
5. Add interest at a rate of 8% a year simple to parts three and four of this settlement

from the dates they were paid, to the date of settlement of this complaint.*

6. Pay her £250 for the distress and inconvenience he has experienced; and
7. Remove any adverse information which has been recorded with the credit reference agencies.

*Go Car Credit must pay these amounts within 28 days of the date on which we tell them Miss W accepts my final decision. If they pay later than this, they must also pay interest on the settlement amount from the date of final decision to the date of payment at 8% a year simple.

If Go Car Credit deducts tax from any interest they pay to Miss W, they should provide Miss W with a tax deduction certificate if she asks for one, so she can reclaim the tax from the tax authorities if appropriate.

My final decision

My final decision is that I uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss W to accept or reject my decision before 15 April 2025.

Ami Bains
Ombudsman