

The complaint

Mr J complains about the quality of a car he has financed through an agreement with Advantage Finance Ltd ('Advantage').

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here. Instead, I'll focus on giving my reasons for my 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've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point, it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

Mr J acquired his car under a hire purchase agreement. This is a regulated consumer credit agreement and as a result our service is able to look at complaints about it.

The Consumer Rights Act 2015 (CRA) covers agreements like the one Mr J entered. Because Advantage supplied the car under a financial agreement, there's an implied term that it is of satisfactory quality at the point of supply. Cars are of satisfactory quality if they are of a standard that a reasonable person would find acceptable, taking into account factors such as the age and mileage of the car and the price paid.

The CRA also says that the quality of goods includes the general state and condition, and other things such as its fitness for purpose, appearance and finish, freedom from minor defects and safety can be aspects of the quality of the goods.

Satisfactory quality also covers durability. For cars, this means the components must last a reasonable amount of time. Of course, durability will depend on various factors. In Mr J's case the car was used and covered approximately 92,000 miles when he acquired it. So, I'd have different expectations of it compared to a brand-new car; I think it's likely there would be some wear and tear present. Having said that, the car's condition should have met the standard a reasonable person would consider satisfactory, given its age, mileage, and price.

So, if I thought the car was faulty when Mr J took possession of it, or that the car wasn't sufficiently durable, and this made the car not of a satisfactory quality, it'd be fair and reasonable to ask Advantage to put things right.

Having carefully considered matters I'm satisfied that both parties are in agreement that the car supplied to Mr J wasn't of satisfactory quality. So, all I need to decide here is whether what Advantage has agreed to do to put things right for Mr J is fair and reasonable in all the circumstances of his complaint.

Having considered the available evidence, I'm in agreement with our Investigator that Advantage doesn't need to do anything further to put things right. I know this will disappoint Mr J, but I'll explain why.

It is my understanding that Advantage has already ended Mr J's agreement and collected the vehicle from him. The information provided suggests that along with the supplying dealership it has also paid:

- A reimbursement of £258.55 which is equivalent to the one monthly payment Mr J paid.
- A refund of the deposit paid.
- A payment of £147 to account for tax and insurance.
- Removed Mr J from the credit agreement and notified the relevant credit agencies to remove its entry from Mr J's credit file.
- £100 in compensation to recognise the distress and inconvenience Mr J would've experienced.

I understand Mr J thinks he should be refunded additional costs for insurance premiums he paid towards another car, but I don't think it'd be fair or reasonable to hold Advantage responsible for these.

Mr J also wanted the cost of his private vehicle registration plate refunded but as he retained the plate and is free to use this again, I cannot ask Advantage to refund this amount. Unfortunately, I've not been provided with evidence to consider the travel costs Mr J says he incurred so I won't comment on this further.

Finally, Mr J says he should be paid an increased amount of compensation to reflect the distress and inconvenience he experienced. I don't doubt the circumstances of the complaint impacted Mr J, he would've had to make numerous calls between several parties, as well as accommodating the independent inspection and raising a complaint.

Having said that I acknowledge that Advantage responded promptly in addressing Mr J's concerns – both by supporting the rejection of the vehicle and by resolving the complaint. Therefore, I believe Advantage has taken sufficient steps to put things right and its offer of £100 is fair.

My final decision

My final decision is I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 8 July 2025.

Rajvinder Pnaiser
Ombudsman