

The complaint

Ms F and Mr P complain about a car they had acquired with credit provided by Corbetts Dudley Ltd. They also complain that they were not offered assistance when they fell into financial difficulties.

What happened

In March 2023 Ms F and Mr P entered into a regulated hire purchase agreement with Corbetts Dudley Ltd in relation to a used car. The car was nearly five years old, it had been driven 28,950 miles, and its cash price was £17,995. It had recently passed its MOT test with no advisories in that same month.

In August of that year, Ms F and Mr P noticed a leak of some unidentified fluid coming from the car, which they reported. Corbetts Dudley asked them to provide photos; at the time the leak was thought to be coming from the air conditioning unit. But in September 2023 the car broke down and had to be recovered by a roadside recovery service, which diagnosed a leaking cylinder head gasket. A letter from the recovery service has been provided confirming as much.

Ms F and Mr P complained to Corbetts Dudley. They say that meanwhile, they took the car to a third party garage to be repaired, and they complain that this caused them financial difficulty. They have provided an invoice for that repair, dated 20 November 2023, with a price of £1,950. Being suspicious about the quoted price, Corbetts Dudley contacted the garage named on the invoice, which told them that the invoice was a forgery and that they hadn't carried out any work on the car. Corbetts Dudley did not uphold the complaint, but it offered to inspect the car itself. So far Ms F and Mr P have not taken up that offer.

In November 2023, Ms F and Mr P brought this complaint to our service. They asked to be refunded the £1,950. They provided a "report" from a different garage (actually just a few words hand-written on an invoice), which said that a gasket has been replaced. They later also complained about their financial difficulties, after their account was defaulted in December 2023. A termination notice was issued in February 2024.

Corbetts Dudley said that it had not agreed to a third party carrying out repair work, and that it would cover the cost of any repairs for which it was liable, as was its legal right. Its offer to inspect the car remained open. It provided a copy of a health report that had been carried out on the car in June 2022, showing that the car had been in good condition. It pointed out that the car had been sold with a low mileage, considering its age. And it said that the account had been in arrears for some time before the breakdown, so it did not accept that the cost of the repair was the reason why the complainants were in arrears.

Our investigator upheld this complaint. She accepted the letter from the roadside recovery service as evidence that the cylinder head gasket had been leaking. She thought that it wasn't reasonable wear and tear for a car to develop this fault within five months (and only 2,000 miles) of the point of sale, considering its age and mileage, so she concluded that the car had probably been defective at the point of sale. She took into account the Consumer Rights Act 2015 ("the Act"), which says that a fault which appears within six months of the

point of sale must be presumed to have been present at the point of sale, unless the contrary is proved. So she concluded that Corbetts Dudley should pay for the cost of the repair, with interest, and remove any adverse information about the agreement from Ms F's and Mr P's credit files.

The investigator accepted that the repair invoice was a forgery (and this finding has not been challenged). So she recommended that the parties obtain quotes from three other garages, and that Corbetts Dudley pay Ms F and Mr P the average of the three quotes (£868:90).

The investigator also found that Corbetts Dudley had not supported Ms F and Mr P when they had told it that they were in financial difficulty, and she thought it should have done more to assist them. She recommended that it pay them £250 for their distress.

Corbetts Dudley offered to settle this complaint for £1,000. When that was not accepted, it later made a new offer which was more generous than the investigator's recommendation.

I wrote a provisional decision which read as follows.

What I've provisionally 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.

In view of the forged invoice, I asked the roadside recovery service to verify that the letter it had provided to Ms F and Mr P was authentic. It confirmed that it was. That letter states that a cylinder head gasket was leaking and that recovery of the car was required. So I accept that evidence as to the cause and severity of the breakdown.

A cylinder head gasket should normally have a lifespan of 100,000 to 200,000 miles. So on the balance of probabilities, I think the gasket was probably defective at the point of sale (having regard to section 19(14) and (15) of the Act). Corbetts Dudley is therefore liable for that.

Corbetts Dudley was however entitled to undertake the repair itself, so I don't think it should now have to pay more than it would have done just because the repair was carried out by a third party. And I am reinforced in that opinion by the fact that I do not know how much Ms F and Mr P paid for the repair.

Although the evidence that the repair was carried out is rather flimsy, on the balance of probabilities I accept that it probably was, because that repair was necessary, given the evidence provided by the recovery service.

I don't think it is right to take the average of three quotes for repairing a gasket, given that the quotes were only obtained in the first place because the invoice for the work turned out to be forged. Instead I will direct Corbetts Dudley to pay a refund equal to the cheapest of the three quotes that were obtained. That is £632:48 (including VAT).

I did consider awarding nothing at all, because of the forgery, but I won't go as far as that. I will not award interest on this amount though.

I think that £250 is fair compensation for the financial difficulty aspect of this complaint, and so I need say no more about that.

My decision is that I am minded to uphold this complaint, and to order Corbetts Dudley Ltd to:

- Pay Ms F and Mr P £632:48 – but this may be offset against their arrears; and
- Pay them £250 for their inconvenience (without off-setting it).

Responses to my provisional findings

Corbetts Dudley accepted my provisional decision. Ms F and Mr P did not respond. So there is no reason for me to depart from my provisional findings, and I confirm them here.

My final decision

My decision is that I uphold this complaint. I order Corbetts Dudley Ltd to:

- Pay Ms F and Mr P £632:48 – but this may be offset against their arrears; and
- Pay them £250 for their inconvenience (without off-setting it).

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms F and Mr P to accept or reject my decision before 23 December 2024.

Richard Wood
Ombudsman