

## The complaint

Miss S complains about the quality of a used car that was supplied through a hire purchase agreement with Startline Motor Finance Limited (Startline).

## What happened

In October 2023, Miss S acquired a used car through a Hire purchase agreement with Startline. The car was about nine years old and had travelled around 96,338 miles when it was supplied to Miss S. The cash price of the car was £5,475. No deposit was paid. So, the total amount financed on the agreement was £5,475 payable over 48 monthly repayments of £157.12 followed by a final repayment of £167.12.

Miss S says that within a short time since acquiring the car she complained to Startline about the problems she was having with it. She said the car has since broken down on four occasions for different reasons.

Miss S says she's self-employed and so has lost out on earnings and had incurred fees from the roadside recovery agency when her car broke down. Miss S says the whole situation is affecting her family and her mental health. She says she's asked to reject the car, but that Startline has declined her request saying the issues weren't related to previous repairs.

In December 2023, Startline issued a final response, upholding Miss S's complaint about some initial issues relating to a rattling noise and a fault rear view mirror. They confirmed the dealership advised Miss S to have a local garage carry out the repairs and they'd cover the cost.

In April 2024 Startline issued a further final response which they didn't uphold. In it, they confirmed Miss S complained to them in March 2024 to advise the car had broken down twice in the last week and acknowledged her wish to reject it. Startline said that the dealership confirmed the faults relating to the breakdowns were battery related and not connected to the previous issues which were repaired. In addition, as the battery was a serviceable part, the dealership wasn't obliged to repair it. Startline however, offered to reimburse Miss S £249.99 for the costs she incurred to have the car attended to on the roadside.

Unhappy with their decision, Miss S brought her complaint to our service where it was passed to an investigator to look into. Miss S told the investigator the situation had negatively impacted her mental health and finances. She said she was told by Startline that an investigation was required which she said went in her favour, and they've arranged for a second inspection to take place against her wishes.

Following an invoice from a local garage which identified an issue with the vehicle's subframe, it appears Startline arranged an independent inspection of the car to take place in May 2024, (I'll refer to this as report A). Within the conclusion of the report, it said:

*"In conclusion we believe that the issue with the clutch is not the responsibility of the sales agent to rectify and is not associated failed previous repair, however the poor condition of*

*the subframe we do believe is the responsibility sales agent to rectify , i.e. we believe that the subframe was in an advanced state of deterioration at the point of sale and had minimal future life expectancy at that point therefore not durable leading us to conclude that the sales agent should rectify “.*

Startline advised that the dealership decided to arrange for a second independent inspection of the car, which took place in August 2024 by a different inspection engineer (I'll refer to this as report B). Within its conclusion it advised:

*“We would conclude that at the time of our inspection a spanner warning light and a service message were illuminated on the instrument panel. The nearside front part of the subframe that we could visually see had corrosion and a hole. This was not crumbling. At the point of vehicle sale this would have been developing but not excessive”.*

Having considered all the information provided, the investigator recommended that Startline should facilitate a rejection of the car. The investigator concluded that the delays to address the issues with the subframe were unreasonable and so a rejection was the fairest option. In addition to the rejection, the investigator said Startline should refund to Miss S all repayments she's made on the agreement from September 2024, when she says she stopped using the car, and 30% of all other repayments to recognise the impaired use. The investigator also recommended that Startline pay Miss S £250 in compensation for the distress and inconvenience caused and 8% simple interest on all the refunds.

Miss S accepted this recommendation. However, Startline didn't. they said the issues with the subframe were not unreasonable given the age, mileage and the usage Miss S had in it. However, as the investigator's assessment remained unchanged, Startline asked that the complaint be referred to an ombudsman for 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.

Based on what I've seen so far, I intend to uphold this complaint and largely for the same reasons as the investigator. I'll explain why below.

In considering what is fair and reasonable, I've thought about all the evidence and information provided afresh and the relevant law and regulations, regulators' rules, guidance and standards, codes of practice and (where appropriate) what I consider to have been good industry practice at the relevant time.

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.

Miss S complains about a hire purchase agreement. Entering into consumer credit contracts like this is a regulated activity, so I'm satisfied we can consider Miss S's complaint about Startline. Startline is also the supplier of the goods under this agreement, and is responsible for a complaint about their quality.

The Consumer Rights Act 2015 (CRA) is relevant in this case. It says that under a contract to supply goods, there is an implied term that *“the quality of the goods is satisfactory, fit for purpose and as described”*. To be considered as satisfactory, the CRA says the goods need

to meet the standard that a reasonable person would consider satisfactory, considering any description of the goods, the price and all the other relevant circumstances. The CRA also explains the durability of goods is part of satisfactory quality.

So, it seems likely that in a case involving a car, the other relevant circumstances a court would consider might include things like the age and mileage at the time of sale and the vehicle's history.

My starting point is that Startline supplied Miss S with a used car that had travelled around 96,338 miles. With this in mind, I think it's fair to say that a reasonable person would expect the level of quality to be less than that of a brand-new car with lower mileage; and that there may be visual signs of wear and tear due to its usage. There'd also be an increased likelihood of unforeseen problems surfacing sooner than in a new vehicle.

From the information provided I'm persuaded there was a fault with the car. This is apparent from the two independent inspection reports which have both concluded that the subframe was in a state of deterioration. I've also seen a garage invoice which also confirms an issue with the subframe. Having considered the car had a fault, I've considered whether it was of satisfactory quality at the time of supply.

#### *Satisfactory quality*

Startline confirmed through a timeline of events that certain issues were reported and repaired, for example refitting the interior mirror, replacing the anti-roll bar joint and wheel cylinders and the strut and top mount. This is consistent with what Miss S had told us about the faults she was experiencing with the car. However, inconsideration of the age, mileage and value of the car when it was supplied, I don't think these issues were necessarily unreasonable to expect. And although it would have caused some inconvenience to Miss S, I acknowledge they were repaired in what appears to be a reasonable timeframe.

However, an invoice from a local garage dated May 2024, appears to be the first instance where an issue with the subframe had been identified. Both reports, A and B, carried out in May 2024 and in August 2024 respectively, both identified the same issue with the subframe. Both advised the issue would have been present and developing at the point of supply, and report A advised the subframe had a *minimal future life expectancy* at the point of supply.

I acknowledge the issue of corrosion is something that occurs over a period of time, however, I think it's fair to say the subframe of a vehicle is a critical component that impacts among other things the vehicle's stability and safety. As such it's a component I believe a reasonable person would expect to be in a reasonably sustained condition at the point of supply.

I recognise other issues with the car were reported and repaired, in good time, however, that Miss S hadn't reported the issue of the subframe within a particular timeframe doesn't mean it wasn't an issue at the point of supply. I believe it's likely to have been an underlying, latent issue that only presented itself after around eight months of ownership.

Given the importance of the subframe on a vehicle I don't consider the corrosion to that level was fair wear and tear. In addition, I've seen no evidence that Miss S has caused or exacerbated the issue, for example through her driving style. Subframes can be expected to last the life of a vehicle, report A said it had a minimal future life expectancy. When Miss S acquired the car, I'm satisfied it would have been fair for her to expect it would have a reasonable duration beyond the year and half, or 10,000 miles that she used it for. So, all

things considered, I'm satisfied that the car wasn't of satisfactory quality when it was supplied to Miss S, because the subframe wasn't suitably durable. Under the CRA durability forms part of the quality of a vehicle.

### **Putting things right**

As I've concluded that the car wasn't of satisfactory quality when it was supplied to Miss S. Its fair that Startline puts things right for her. Considering the circumstances of this complaint, I'm in agreement with the investigator that a rejection is the most reasonable approach. Despite the ongoing issues Miss S had with the car, within weeks of acquiring it, the issue with the subframe came to light in May 2024 after it was picked up during a check of the car in a local garage. And despite two expert opinions (in the form of the inspection reports) concluding that the issue would have been developing at the point of supply, Startline hasn't arranged to repair or facilitate Miss S' wish to reject the car. I think the timeline here is unreasonable and as such, further persuades me that a rejection is the fairest outcome.

The CRA says:

*If the consumer requires the trader to repair or replace the goods, the trader must do so within a reasonable time and without significant inconvenience to the consumer,*

I think it's fair to say, that in these circumstances, Miss S has experienced a considerable degree of inconvenience throughout. For example, with the impact to her family and her work.

So, I'll be instructing Startline to collect the car, and end the agreement. Startline should also refund to Miss S all the monthly repayments she's made from September 2024 when she stopped using the car. Considering the conclusions of the inspection reports, I think it was reasonable for Miss S to stop using the car.

A faulty subframe, as is confirmed in this case, can significantly impact the overall performance and structural integrity of a vehicle, for example with the stability and handling. Considering the degree of corrosion in this case and how its condition would have been at the point of supply, I'm persuaded this would have been the case in Miss S circumstances. As such I'm in agreement with the investigator that Startline should also refund to Miss S 30% of her monthly repayments from when she acquired the car up to when she stopped using it in September 2024 to recognise the impaired usage.

Miss S also described the stress and inconvenience the situation has had on her. For example, with her work, her family and finances. She's also had the inconvenience of having to go back and forth trying to sort things out with the dealership and Startline. As such I think it's reasonable that Miss S is paid some compensation, and I'm satisfied that £250 is a fair recognition of this.

I recognise Miss S incurred additional expenses while using the vehicle, and that the dealership covered certain repair costs, in addition to those related to the breakdown. Given her usage and the reasonable expectation of vehicle maintenance during her ownership, I believe it's appropriate for Miss S. to assume responsibility for some maintenance costs.

## **My final decision**

My final decision is that I uphold Miss S's complaint about Startline Motor Finance Limited and instruct them to:

- collect the car at no additional cost to Miss S
- end the agreement and remove it from Miss S's credit file
- refund to Miss S any repayments she's made towards the agreement from September 2024 when she stopped using the car.
- refund to Miss S 30% of her monthly repayments on the agreement to reflect impaired usage; from October 2023, when the agreement started to when she stopped using the car in September 2024
- pay Miss S £250 in compensation for the distress and inconvenience caused

Startline Motor Finance Limited should pay 8% yearly simple interest on all refunds calculated from the date of payment to the date of settlement.

If Startline Motor Finance Limited considers that it's required by HM Revenue & Customs to withhold income tax from the interest part of my award, it should tell Miss S how much it's taken off. It should also give Miss S a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 12 June 2025.

Benjamin John  
**Ombudsman**