

## **The complaint**

Mr H complains that Marsh Finance & Commercial Limited won't reimburse him for some car hire costs that he incurred when the car that was supplied to him under a hire purchase agreement was being repaired.

## **What happened**

A used car was supplied to Mr H under a hire purchase agreement with Marsh Finance that he electronically signed in March 2022. The price of the car was £26,750, Mr H made an advance payment of £2,000 and he agreed to make 59 monthly payments of £609.06 and a final payment of £619.06 to Marsh Finance.

The car's engine management warning light was on in January 2024 and the emissions sensor had to be replaced. Mr H was without the car for four days so he had to hire a car. He complained to Marsh Finance and asked it to reimburse him for the car hire costs. It said that the repairs were completed under the car's warranty and, due to that, it wouldn't look to reimburse him for any hire car costs as it wasn't previously aware of any issues with the car and hadn't agreed to cover the cost of a hire car.

Mr H wasn't satisfied with its response so complained to this service. His complaint was looked at by one of this service's investigators who, having considered everything, didn't think that the resolution which Marsh Finance had reached was a fair one. He was persuaded that the car was likely not of satisfactory quality at the time of sale and he recommended that Marsh Finance should reimburse Mr H the amount that paid for the hire car, with interest, and that it should pay him £100 for the distress and inconvenience caused by the car being of unsatisfactory quality.

Marsh Finance didn't accept the investigator's recommendation and has asked for this complaint to be considered by an ombudsman. It says that Mr H didn't contact it directly in relation to concerns with the car within the first six months of the agreement so it has never received any evidence to confirm that the car wasn't fit for purpose at the point of sale. It also says that the car passed an MOT test in March 2024 and it believes that it has been more than satisfactory as the car has completed 41,000 miles in two years, but hasn't been serviced correctly.

## **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.

Marsh Finance, as the supplier of the car, was responsible for ensuring that it was of satisfactory quality when it was supplied to Mr H. Whether or not it was of satisfactory quality at that time will depend on a number of factors, including the age and mileage of the car and the price that was paid for it. The car that was supplied to Mr H was nearly one year old, had been driven for about 5,000 miles and had a price of £26,750. Satisfactory quality also covers durability which means that the components within the car must be durable and last a reasonable amount of time – but exactly how long that time is will depend on a number of factors.

The car's engine management warning light was on in January 2024 and the emissions sensor had to be replaced under the warranty. Mr H says that the dealer was unable to replace the sensor for about two weeks so he contacted another of the manufacturer's dealers and it replaced the sensor but he wasn't provided with a courtesy car. He says that he didn't have the car for four days so had to hire a car and he's provided the car hire company's invoice for hire costs of £353.15.

The manufacturer's recommended service intervals for the car are that it should be serviced at the earlier of every 20,000 miles and each year. I understand that the car was serviced in July 2022, when its mileage was 11,571 miles, and in September 2023, when its mileage was 36,538 miles. Marsh Finance says that it believes that if the car had been serviced within the manufacturer's timeframes, a health check would have been completed which would have identified a fault with the emissions sensor. But the car was serviced in September 2023 and I've seen no evidence to show that a fault with the emissions sensor was identified at that time and I'm not persuaded that there's enough evidence to show that Mr H's failure to comply with the manufacturer's recommended service intervals for the car caused the emissions sensor to fail.

I don't consider that the emissions sensor on a car that was less than three years old should have needed to be replaced after the mileage for which the car had driven in that time, so I consider it to be more likely than not that the sensor failed too early. I consider that the failure caused the car not to have been as durable as it was reasonable for Mr H to expect it to be and, for that reason, that the car wasn't of satisfactory quality when it was supplied to him. I find that it would be fair and reasonable for Marsh Finance to take the actions described below in response to Mr H's complaint.

## **Putting things right**

The emissions sensor has been replaced under the car's warranty but I find that it would be fair and reasonable in these circumstances for Marsh Finance to reimburse Mr H for the hire costs that he incurred when the car was at the manufacturer's dealer being repaired, and to pay interest on that amount.

The issues with the car's emissions sensor have caused Mr H distress and inconvenience. The investigator recommended that Marsh Finance should pay Mr H £100 to compensate him for that distress and inconvenience. Mr H has accepted that recommendation and I find that it would be fair and reasonable for Marsh Finance to pay him £100 compensation.

## **My final decision**

My decision is that I uphold Mr H's complaint and I order Marsh Finance & Commercial Limited to:

1. Reimburse Mr H for the four days of car hire costs that he incurred in January 2024.
2. Pay interest on that amount at an annual rate of 8% simple from the date of payment to the date of settlement.
3. Pay £100 to Mr H to compensate him for the distress and inconvenience that he's been caused.

HM Revenue & Customs requires Marsh Finance to deduct tax from the interest payment referred to above. Marsh Finance must give Mr H a certificate showing how much tax it's deducted if he asks it for one.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 7 April 2025.

Jarrold Hastings  
**Ombudsman**