

The complaint

Mr M complains that a car acquired under a hire purchase agreement with Zopa Bank Limited ("Zopa") wasn't of satisfactory quality when it was supplied to him.

What happened

The parties are familiar with the background of this complaint so I will only summarise what happened briefly here.

In December 2022, Mr M acquired a used car through a dealership, who I'll refer to as P. He paid a deposit, with the remaining balance being provided through a hire purchase agreement with Zopa. The car was nine years old and had covered approximately 91,600 miles when it was supplied to Mr M. The agreement was for 60 months, and the cash price of the car was £6,939.

Mr M has said that he experienced some problems with the car shortly after supply, with sluggish acceleration and a lack of power. He has said he tried to reject the car directly with P within a month, but P didn't have a suitable replacement.

In March 2023, P did take the car back as it needed a regeneration of the diesel particulate filter (DPF). They changed the glow plugs at this time too. Mr M had to have the DPF regenerated again a few months later, this time through a local garage, but was able to use the car until November 2023, when it broke down. He had covered just over 6,000 miles in it since the point of supply.

He got in touch with Zopa. They asked him to provide an independent report explaining the faults as he'd been in possession of the car for nearly a year. He did this, and Zopa arranged for their own independent report to be done. Having considered both reports, Zopa said they didn't think the car had been of unsatisfactory quality at the point of supply and told Mr M there was nothing they could do for him.

Mr M brought his complaint to our service. Our investigator didn't uphold it. He said he didn't think the evidence concluded the car was unsatisfactory when it was supplied to Mr M.

Mr M didn't agree with this and provided more testimony from his original technician. But our investigator didn't change his outcome.

As Mr M didn't agree, it's been passed to me to decide.

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.

When considering what is fair and reasonable, I'm required to take into account: relevant law and regulations, relevant regulatory rules, guidance and standards and codes of practice.

I'm aware that Mr M has said that he has concerns over what he was told by P when he enquired about returning the car within the first month. As P were not acting as Zopa's agents at this time, and I'm only looking at the actions of Zopa in this case, I haven't considered this aspect within this decision.

As the hire purchase agreement entered by Mr M is a regulated consumer credit agreement this service can consider complaints relating to it. Zopa are the supplier of the goods under this type of agreement and are responsible for a complaint about their quality.

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

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

But, on the other hand, 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 M's case, the car was used and had covered approximately 91,600 miles when he acquired it. So, I'd have different expectations of it compared to a brand-new car. Having said that, the car's condition should have met the standard a reasonable person would consider satisfactory, given its age, mileage, and price.

Our investigator has explained that he thinks the car was of satisfactory quality when it was supplied to Mr M. I agree in this case. There is no doubt the car has faults – the inspections carried out confirm that to be the case. But I'm not persuaded, from what I've seen, that I can conclude the car was faulty when it was supplied to Mr M. I'll explain why.

Mr M brought the problem with the car to Zopa's attention in December 2023, a year after he'd been supplied with it. So, I need to consider if Zopa have done what I'd expect them to have done once they were aware there was a problem with the car.

The CRA explains that where goods are found not to have conformed to the contract within the first six months, it is presumed the goods did not conform to the contract at the point of supply. Unless the supplier, Zopa in this case, can prove otherwise. In Mr M's case, it was outside of six months when he first informed Zopa of the fault with the car. Zopa asked Mr M to provide an independent inspection of the car to determine when the fault with the car had occurred. This inspection took place in December 2023, and the car had covered approximately 97,650 miles – just over 6,000 miles since Mr M acquired it. The inspection report confirmed that the technician felt the DPF hadn't been satisfactorily repaired in March 2023, which is why it had become blocked again. He said the issue of the Dual Mass flywheel (DMF) failure was more difficult to conclusively determine when the fault occurred.

Having seen this report, Zopa arranged for their own to be done. This inspection took place in April 2024. The report stated that there were diagnostic errors in relation to the DPF, and a fault with the DMF affecting the car's transmission. But the technician concluded that none of the faults would have been present when the car was supplied to Mr M. Because of that, Zopa said they wouldn't be taking any further action.

The reports are conflicting in this case. But I'm satisfied that they're both consistent in not being able to satisfactorily conclude when any faults would have first developed. Mr M's report focusses on the DPF regeneration, and states that the initial repair of this in March

2023 has failed, as it needed to be done again a couple of times after. However, I'm not persuaded that the DPF regeneration should be considered as an attempt to repair. I say this because a regeneration of the DPF could be required for a variety of reasons – driving style, length of journeys and how much fuel the car is carrying are all reasons why the DPF may become blocked. So, whilst the DPF has needed to be regenerated on occasion for Mr M, it isn't known why, and I'm not persuaded it can be considered as a fault. There are other reasons which could have contributed to this, so I can't persuasively say it needed regenerating because it's faulty.

What is accepted as a fault is the DMF and the car's transmission problems. But this wasn't brought to Zopa's attention until Mr M had used the car for a year. And his own report concludes that it can't be determined when the fault would have started to occur. So, it follows that I can't conclude the fault was present when the car was supplied to Mr M, and therefore I can't conclude that the car was of unsatisfactory quality at the point of supply.

As mentioned previously, the car Mr M acquired was nine years old and had covered approximately 91,600 miles when it was supplied to him. It's fair to say the car was far from new. This means that the standard a reasonable person might expect from it would be lower than for a car that had covered fewer miles. Acquiring a used car carries some inherent risks, not least of which is that sooner or later items, or components of the car, will need repair or replacement.

Mr M had the car for almost 12 months and the car had covered approximately 97,650 miles when the first independent report was carried out. As previously stated, I'm satisfied that a reasonable person would expect to have to repair or replace some wear and tear components on a used car sooner than they would on a newer one. In Mr M's case it seems the requirement to replace the parts now found to be faulty has come sooner than he was expecting, but I'm not persuaded that means the car wasn't of satisfactory quality when it was supplied to him. I'm more persuaded that the work needed now than to repair the car needs doing as a result of wear and tear.

I know this decision will come as a disappointment to Mr M, and he has a car that requires significant work at cost to be carried out to make it roadworthy. But I've explained above why I can't hold Zopa responsible for that. I won't be asking them to do anything more in relation to the satisfactory quality of the car.

My final decision

For the reasons above, I don't uphold this complaint.

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

Kevin Parmenter
Ombudsman