

The complaint

Mr A complains about the quality of a car he acquired under a hire purchase agreement with FCE Bank Plc trading as Ford Credit (FC).

When I refer to what Mr A has said and what FC have said, it should also be taken to include things said on their behalf.

What happened

In February 2021, Mr A entered into a hire purchase agreement with FC to acquire a car first registered in March 2021. At the time of acquisition, the car had travelled around 5 miles. The cash price of the car was around £23,012. There was a total deposit of around £2,210 (consisting of around £1,210 cash plus around £1,000 deposit allowance). The total amount payable was approximately £23,012. First payment was around £318 followed by 37 monthly payments of around £318, and then an optional final payment and a purchase fee of around £8,714.

Mr A said that his car had an 18,000-mile/ two-year service schedule, so he completed the first service in June 2022 when the car had travelled 18,793 miles and completed the second service in September 2023 when the car had travelled 37,251 miles. In November 2023 when the car had travelled 40,125 miles the car had a Diesel Particulate Filter (DPF) replaced under warranty.

Mr A said that in February 2024, he noticed the oil life was deteriorating ahead of schedule, meaning that the engine oil was going to need to be replaced at 50,000 miles instead of the 54,000 miles as indicated in the published servicing schedule for his car. Mr A said the car manufacturer and the supplying dealership said that DPF regenerations are causing the oil to become contaminated with the diesel and that is why the oil degradation has occurred. Mr A has questioned why the original DPF failed well ahead of its 100,000 miles design life span. And Mr A thinks that the new DPF that has been replaced must also be faulty, or other components associated with it, as it is causing the diesel to contaminate the oil. In summary, Mr A is unhappy with the rate of oil deterioration because if he keeps the car, he will need to undertake a lot more services than he would need to otherwise. And if he does not keep the car then it is not fair that he has incurred a lot of other additional costs such as replacing all the brakes and the cost he had incurred when he purchased an additional warranty. So, he referred his complaint to FC.

In March 2024, FC wrote to Mr A and said the supplying dealership had inspected the car and were not able to find a fault with it. FC also said the supplying dealership contacted the car's manufacturer, who confirmed that oil life may be lowered with more in-town driving. They said, at present, there is no issue with the car. The dealership advised that the car is mostly used for in-town driving, so these types of journeys will shorten the oil life. FC said that within the service sheets it does state that due to different driving conditions the oil life may shorten. FC also advised Mr A that he could obtain an independent inspection and if this indicates the faults are from the point of sale, then they will consider this. Alternatively, they considered that Mr A might like to sell the car or part exchange it.

Mr A remained unhappy, so he referred his complaint to the Financial Ombudsman Service (Financial Ombudsman).

Our investigator considered Mr A's complaint, but the investigator did not think that the car was of unsatisfactory quality when supplied.

Mr A disagreed with the investigator. So, the complaint has 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.

Where evidence is unclear or in dispute, I reach my findings on the balance of probabilities – which is to say, what I consider most likely to have happened based on the evidence available and the surrounding circumstances.

In considering what is fair and reasonable, I need to take into account the relevant rules, guidance, the law and, where appropriate, what would be considered good industry practice at the relevant time. Mr A acquired the car under a hire purchase agreement, which is a regulated consumer credit agreement. Our service can look at these sorts of agreements. FC is the supplier of goods under this type of agreement and is responsible for dealing with complaints about their quality.

I have summarised this complaint very briefly, in less detail than has been provided, and largely in my own words. No discourtesy is intended by this. If there is something I have not mentioned I have not ignored it. I have not commented on every individual detail. But I have focussed on those that are central to me reaching, what I think is, the right outcome. This reflects the informal nature of the Financial Ombudsman as a free alternative to the courts.

Also, I can only consider the actions/inactions of FC and only the aspects they are responsible for, and I cannot look at certain actions and/or inactions of the dealership which Mr A said he is unhappy about. So, in this decision I have focused only on the aspects I can look into. And I am only looking at the events that have been raised by Mr A with FC, the ones they had an opportunity to address in their correspondence sent to him in March 2024.

The Consumer Rights Act 2015 (CRA) covers agreements such as the one Mr A entered into. Under this agreement, there is an implied term that the goods supplied will be of satisfactory quality. The CRA says that goods will be considered of satisfactory quality where they meet the standard that a reasonable person would consider satisfactory – taking into account the description of the goods, the price paid, and other relevant circumstances. I think in this case those relevant circumstances include, but are not limited to, the age and mileage of the car and the cash price. The CRA says the quality of the goods includes their general state and condition, as well as other things like their fitness for purpose, appearance and finish, freedom from minor defects, safety, and durability.

In Mr A's case the car was brand new, with the cash price of around £23,012. So, I would have different expectations of it compared to a previously used car. And given the age, mileage and price paid, I think it is fair to say that a reasonable person would have high expectations of it, and would not expect anything significant to be wrong shortly after it was acquired.

In summary, Mr A feels the oil life is deteriorating ahead of schedule meaning that the engine oil needs to be replaced at sooner intervals. So, he is unhappy with the rate of oil deterioration because if he keeps the car, he will need to undertake a lot more services than

he would need to otherwise. And if he does not keep the car, then it is not fair that he has incurred a lot of other additional costs such as replacement of brakes, tyres and the cost associated with the purchase of an additional warranty.

First, I considered if there were faults with the car. I can see in February 2024, when the car had travelled 45,999 miles the supplying dealership investigated the oil life percentage not being correct. They carried out checks and consulted the manufacturer at that time, finding no issue with car.

In addition, I can see that in December 2024, when the car had travelled 57,375 miles one of the car's manufacturers dealerships – a second dealership - inspected the car. They noticed that two software updates were outstanding, so they updated this and told Mr A to continue to monitor the situation. They also indicated that, roughly, the oil life should go down by 25% per 4,500 miles. Later that same dealership carried out further investigation into the issues in February 2025 when the car had travelled 61,151 miles, requiring another visit a couple weeks later. During those visits, over several days, they carried out a number of checks including DPF pressure sensor checks and regenerations of the DPF under different conditions. In the end, they could not confirm any faults with the car, so it was returned to Mr A without needing any repairs.

Based on the above, I can see that neither of the dealerships could find a fault with the car and I've not been given any other independent inspection, which would state that there is a fault with the car, one that was present or developing at the point of acquisition. Also, I cannot see enough evidence that would allow me to conclude that most likely the car was not durable. So based on the available evidence, I do not have enough to say that, most likely, the car is faulty and/or not durable which would render it of unsatisfactory quality.

Mr A has indicated that the oil life percentage is now decreasing quicker since his last visit to the second dealership. He said he is not getting anywhere near the 25% per 4,500 miles figures suggested by the dealership and/or the manufacturer, and he provided his notes which show the tracked mileage covered per one percent decreases. So, I have taken this into consideration, but the manufacturer has indicated that this is a rough guide. Also, the figure of the 25% at 4,500 miles most likely will get worse as the car ages and the car has travelled a significant number of miles. Plus, there are many factors which influence the deterioration of oil. As such, I still feel that I have not seen enough evidence to be able to say that, most likely, the car was of unsatisfactory quality at the time of supply.

It could be that the car was of unsatisfactory quality because the DPF failed and needed to be replaced when the car had travelled about 40,000 miles, but here again, I do not have enough evidence that would allow me to say that most likely this was a fault or a durability issue that would render the car of unsatisfactory quality. The DPF was replaced under warranty, and I have not been given evidence which shows why it failed in the first place. And as I've not seen enough evidence to be able to conclude that most likely it has failed since, it would not be fair or reasonable for me to ask FC to take any further action due to that repair.

Mr A has made references to a recall on some of the cars like his. But I have not been given any evidence that would allow me to say that most likely Mr A's car contains a defective part. Manufacturers do sometimes issue blanket recall notices when it has been established that some cars may have an inherent manufacturing issue. This does not mean that every single car that is subject to the recall has the defective part, and even if a part in question is replaced under a recall notice, this does not automatically mean that it was a defective part. This is because a recall notice does not automatically mean that there was a fault with the car, and sometimes parts get replaced under a recall as a precautionary measure. So, the fact that a fault may subsequently occur due to a part that is listed under a recall notice,

does not automatically mean that Mr A's car was not of satisfactory quality. Also, Mr A has not provided a specific recall notice for his car. So, I cannot make a finding that his car is of unsatisfactory quality based on the above.

Mr A has also made references to other cases at this service and overall experiences of other individuals with DPFs in their cars. Plus, he feels that certain principles set by the Financial Conduct Authority (FCA), such as Consumer Duty, have not been adhered to. But our Service provides informal dispute resolution, our decisions do not create binding precedents. Whilst there may be similarities between complaints, all complaints at our service are considered on their individual facts and merits. Here, I make my decision based on what I think is fair and reasonable considering all the circumstances of this specific complaint and, more particularly, by looking at things that FC is responsible for. And while I appreciate Mr A's strength of feeling regarding his complaint, I do not think I've seen enough to say that FC have treated him unfairly and/or not acted in compliance with the FCA's principles, including the Consumer Duty, in their behaviour towards him as a customer. So, it is not fair or reasonable for me to require FC to take any further action regarding Mr A's complaint.

While I sympathise with Mr A for the difficulties that he is experiencing, based on all the information currently available in this case, I do not think there is sufficient evidence to say that most likely FC should take any further action relating to this complaint.

My final decision

For the reasons given above I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 13 May 2025.

Mike Kozbial
Ombudsman