

The complaint

Mr R complains that the car he acquired through First Response Finance Ltd (“FRF”) wasn’t of satisfactory quality. He wants FRF to fairly and reasonably settle his complaint and allow him to reject the car and cancel the credit agreement.

What happened

Mr R entered into a hire purchase agreement in January 2023 to acquire a used car. The cash price of the car was £10,995, and the total repayable was £16,653, and was to be repaid through the credit agreement which was set up over a 61-month term with monthly payments of £273.00. At the time of acquisition, the car had already been driven nearly 90,000 miles and was nearly 13 years old.

Mr R told us:

- The car has been trouble since very soon after he bought it, and he thinks the car was sold in bad faith;
- in February 2024, the car failed its latest MOT – dramatically. There were 18 major faults, two minor faults, and nine advisories – yet he’d only had the car for a short period of time and had driven around 5,000 miles;
- the three previous MOTs identified only one advisory, so the car must have been sold and supplied without full and accurate information;
- FRF has offered him an interest-free loan so that he can afford to undertake the necessary repairs, but that’s just *“rubbing salt into my wounds”*;
- the issues have affected him considerably; his family life; the ability to get to work or do the school run; and the repair bills that he’s had to pay.

FRF said there’d been no breach of Mr R’s consumer rights, but it did, as a gesture of goodwill, offer to support him with an interest-free loan so that he could carry out repairs, and it asked him for an itemised repair quote so that it could assess the right level of assistance.

FRF said the independent inspection had concluded that the necessary repairs would be classed as general maintenance and not premature maintenance.

FRF told us six weeks after supplying the car, Mr R contacted it to say there was a problem with the electronic handbrake, and the supplying dealership agreed to remedy this at no cost to Mr R. And at the same time they adhered to a request from Mr R to replace the car’s brake pads and discs, even though it had passed an MOT just two days prior to supply.

FRF said the issues Mr R had raised 14 months after the car was supplied were all corrosion related, and so in the interests of impartiality it had instructed an independent inspection of the car. That inspection concluded that the corrosion was progressive age-related and not a manufacturing defect.

Our investigator looked at this complaint and said he didn’t think a complaint about the quality of the supplied car should be upheld. He said there was no dispute that there were

faults with the car but – based on the independent inspector’s report – he thought it was more likely that the issues Mr R experienced were a result of normal wear and tear. And he concluded that the car was not of unsatisfactory at the point of supply. He explained that he wasn’t able to consider a complaint relating to the faulty electronic hand brake as more than six months had elapsed since FRF provided Mr R with its *final response letter* on this matter.

Our Investigator highlighted the existence of the pre-sale inspection checklist, and while he acknowledged that Mr R didn’t think this document was accurate, he said he’d seen no evidence to corroborate this.

Mr R disagrees so the complaint comes 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.

Having done so, I agree with our investigator – and I’ll explain why.

I hope that Mr R won’t take it as a discourtesy that I’ve condensed his complaint in the way that I have. Ours is an *informal* dispute resolution service, and I’ve concentrated on what I consider to be the crux of this complaint. Our rules allow me to do that. Mr R should note, however, that although I may not address each individual point that he’s raised, I have given careful consideration to all of his submissions before arriving at my decision.

When looking at this complaint I need to have regard to the relevant laws and regulations, but I am not bound by them when I consider what is fair and reasonable.

As the hire purchase agreement entered into by Mr R is a regulated consumer credit agreement this Service is able to consider complaints relating to it. FRF is also the supplier of the goods under this type of agreement, and it is responsible for a complaint about their quality.

Under the Consumer Rights Act 2015 (“CRA”) there is an implied term that when goods are supplied “the quality of the goods is satisfactory”. The relevant law says that the quality of the goods is satisfactory if they meet the standard that a reasonable person would consider satisfactory taking into account any description of the goods, price and all other relevant circumstances.

The relevant law also says that the quality of the goods includes their general state and condition, and other things like their fitness for purpose, appearance and finish, freedom from minor defects, safety, and durability can be aspects of the quality of the goods. So, what I need to consider in this case is whether the car *supplied* to Mr R was of satisfactory quality or not.

The CRA also says that, where a fault is identified within the first six months, it’s assumed the fault was present when the car was supplied, unless FRF can show otherwise. But, if the fault is identified after the first six months, then it’s for Mr R to show the fault was present when he first acquired the car. So, if I thought the car was faulty when Mr R took possession of it, and this made the car not of a satisfactory quality, it’d be fair and reasonable to ask FRF to put this right.

I don’t think there’s any dispute that Mr R has experienced problems with the car. That has been well evidenced by both his testimony and the information he’s sent us. But, whilst I accept that there have been a number of areas of corrosion highlighted in the MOT

undertaken in February 2024, FRF would only be responsible for putting things right if I'm satisfied that this issue was present or developing when the car was supplied, and not the result of normal wear and tear – that is to say, the car wasn't of satisfactory quality when Mr R first acquired it.

The third party instructed by FRF to carry out an independent inspection of Mr R's car is a recognised and trusted expert in this arena. From reading its report, it's clear that it was provided with an accurate background that clearly set out the issues.

In their report, the engineer said the following:

- *“The vehicle recently failed an MOT with a long list of dangerous, major, and minor defects, along with a long list of corroded bodywork parts. Some of the faults related to brakes and brake cable faults”.*
- *“Our records show the vehicle experienced issues with the electronic handbrake on 15.02.23 which was 41 days after purchase. The keeper had to cut the handbrake cable to get the car to the dealership, who repaired this issue for him and changed the pads, discs, and shoes”.*
- *“The keeper feels the current MOT failure items were present at purchase and the brake issues are linked or caused by the handbrake repairs by the dealership and now wants to hand the vehicle back”.*
- *“The owner has covered approx. five thousand miles since owing the vehicle for around nine months”.*
- *“On inspection I found the underside of the vehicle have multiple areas of surface corrosion. Rear brake pipes were very heavily corroded including brake hose ferrule, there were corroded front suspension pipes which were also leaking. The chassis has signs of corrosion also”.*
- *“The majority of the corrosion is surface corrosion however, there is areas that will require rectification to restore the vehicle to a standard that will meet minimum MOT standards”.*

So, I'm satisfied that the issues that Mr R complained of are present and as he described.

But the simple existence of faults in themselves isn't enough to hold FRF responsible for repairing the car or accepting its rejection. The legislation says that this will only be the case if the car supplied was not of satisfactory quality.

The independent report went on to address this, and the independent engineer made the following points:

- *“There is no doubt that the vehicle requires multiple areas of the repair as detailed within the MOT failure to restore the vehicle to a suitable condition for regular use on the public highway”.*
- *“The level of corrosion to the vehicle is not unexpected in a vehicle that is 14 years old, and the cause of the corrosion is progressive age-related deterioration rather than a manufacturing defect”.*
- *“Corrosion progressive regardless of the mileage of the vehicle in fact if the vehicle is not used regularly can accelerate corrosion particularly to the exhaust systems and suspension components and the braking components”.*

The report concludes that *“We believe that the repairs necessary to return the vehicle to an acceptable condition would be classed as general maintenance and not considered as premature maintenance on a 14-year-old vehicle and therefore not the responsibility of the sales agent to rectify”.*

So, on the basis that the corrosion has been deemed to be expected wear and tear on a vehicle of this age and mileage, I can't say that the car was of unsatisfactory quality when it was supplied.

And the independent engineer makes no cautionary statements about the conclusions reached, or that a different conclusion may have been reached had additional information been provided.

The instruction of an independent inspection is what's required in these circumstances. And in the absence of any other persuasive and independent evidence to the contrary, I'm not persuaded that Mr R's car was of unsatisfactory quality when supplied. So, I can't hold FRF responsible for the problems Mr R has experienced with it.

Taking into account all the evidence, I can't uphold this complaint. I know Mr R will be disappointed with this decision, but I hope he understands why I've reached the conclusions that I have.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 27 June 2025.

Andrew Macnamara
Ombudsman