

## **The complaint**

Mrs M complains about the quality of a car she acquired under a hire purchase agreement with First Response Finance Ltd (FRF).

When I refer to what Mrs M and/or FRF said or did, it should also be taken to include things said or done on their behalf.

## **What happened**

In November 2023, Mrs M entered into a hire purchase agreement with FRF to acquire a car first registered in March 2012. At the time of acquisition, the car had travelled around 91,000 miles. The cash price of the car was around £14,000. The total amount payable was approximately £21,122. There were 61 monthly payments of around £249.

Mrs M said that shortly after supply the car had to be repaired on more than one occasion. She said this was to fix issues with electrical faults, oil leak, and smoke coming from under the bonnet. The car was repaired at no cost to Mrs M with some repairs being done at a third-party garage as this garage was closer to her home. But since then, Mrs M has had further issues.

At the end of April 2024, a third-party garage diagnosed the car for a water leak. At that time, the garage replaced the oil cooler plate, two coolant flanges, one coolant hose plus coolant in the car. At the same time, they carried out a major service including replacing oil, oil filter, air filter, pollen filter, fuel filter and repaired the heat shield as there was noise coming from it.

In June 2024, a third-party garage diagnosed the car for loss of power, car misfiring, and a knocking sound. The garage found no fault codes, but they said cylinders one and five were not functioning to specification and had low compression. They suspected engine failure. This garage estimated that the car would need a second-hand engine supplied and fitted which would cost between £4,500 to £6,000. Mrs M did not think she should be responsible for the cost of these repairs, so she raised a complaint with FRF.

In August 2024 FRF wrote to Mrs M, following an independent inspection that was commissioned by them. In this correspondence they said the engineer of the independent inspection considered that when the car experienced the misfire it had travelled 8,731 miles in the eight months from the point of sale. So, the engineer believed the highlighted issue developed as a result of normal wear and tear and would not be considered as premature wear and tear. As such FRF said they are unable to uphold Mrs M's complaint.

Mrs M remained unhappy, so she referred her complaint to the Financial Ombudsman Service (Financial Ombudsman).

Our investigator considered Mrs M's complaint, but the investigator did not think that the car was of unsatisfactory quality due to the issues with the engine. So, the investigator did not think it would be fair to ask FRF to do anything more to resolve Mrs M's complaint.

Mrs M 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, good industry practice, the law and, where appropriate, what would be considered good industry practice at the relevant time. Mrs M acquired the car under a hire purchase agreement, which is a regulated consumer credit agreement. Our service can look at these sorts of agreements. FRF 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.

I know Mrs M referred to negative comments made online by other customers of the dealership and thinks these should be taken into account. But we consider each complaint on its own individual merits, and I do not consider it would be fair to draw negative inference from the experiences that others have had in different circumstances.

Also, I am only considering the aspects FRF are responsible for, so I cannot look at certain actions and/or inactions of the dealership/broker which Mrs M might be unhappy about. So, in this decision I only focused on the aspects I can look into. And, I am only looking at the events that have been raised by Mrs M with FRF, the ones they had an opportunity to address in their correspondence sent to her in August 2024.

The Consumer Rights Act 2015 (CRA) covers agreements such as the one Mrs M 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 Mrs M's case the car was used, with a cash price of around £14,000. It had covered around 91,000 miles and was over eleven years old when she acquired it. So, the car had travelled a reasonable distance, and it is reasonable to expect there to be some wear to it because of this use. I would have different expectations of it compared to a brand-new car. As with any car, there is an expectation there will be ongoing maintenance and upkeep costs. There are parts that will naturally wear over time, and it is reasonable to expect these to be replaced. With second-hand cars, it is more likely parts will need to be replaced sooner or be worn faster than with a brand-new car. And FRF would not be responsible for anything that was due to normal wear and tear whilst in Mrs M's possession.

First, I considered if there were faults with the car.

I understand that shortly after supply the car had to be repaired on more than one occasion. The aux belt had snapped there were issues with dash lights, oil dripping and smoke coming from under the bonnet. Also, I can see that at the end of April 2024, a third-party garage diagnosed the car for a water leak. The garage at that time replaced the oil cooler plate, two coolant flanges, one coolant hose, plus the coolant in the car. At the same time, they carried out a major service including replacing the oil, several filters (oil, air, pollen and fuel), and have repaired the heat shield, as there was noise coming from it.

Shortly after, in June 2024, a third-party garage diagnosed the car for loss of power, car misfiring, and a knocking sound. The garage found no fault codes, but they said cylinders one and five were not functioning to their specification and had low compression. So, they said the engine had failed.

Based on this evidence, it is clear that the car was faulty. But just because a car was faulty does not automatically mean that it was of unsatisfactory quality when supplied. So, I have considered if the car was of unsatisfactory quality when it was supplied to Mrs M.

Mrs M has provided a lot of information and evidence of contact that she had with the supplying dealership when the initial faults with the car were fixed. So, I have taken all of this into consideration, but I have not seen enough evidence to be able to say that, most likely, these faults with the car were ones that would render the car of unsatisfactory quality. The evidence available does not give a great amount of detail as to what was wrong with the car at the time, or what the cause of the issues in question at the time were. We know that aux belt had snapped and that there were issues with dash lights and oil dripping. But there is limited information as to what actions were taken by the supplying dealership or the third-party garages, as there are no detailed invoices/job sheets/cards. Also, I have considered that at the time of supply the car had travelled around 91,000 miles and was more than 11 years old. So, given the age, mileage, and price paid, I think it is fair to say that a reasonable person would expect there to be some wear to the car when Mrs M acquired it. As such, I think the faults that the supplying dealership covered initially were, most likely, because of normal wear and tear, and parts coming to the end of their life cycle.

When considering if the car was of unsatisfactory quality, I have also considered the engine failure that had occurred in June 2024 when the car had travelled around 99,731 miles (over 8,000 miles and more than six months since supply). Plus, I considered the work the car had done shortly before, at the end of April 2024, when a third-party garage diagnosed the car for a water leak and completed a major service.

After the engine failed, an independent report has been commissioned by FRF. This report said that considering the level of misfire and the overall mileage that appears to have elapsed since purchase (8,731 miles), the issue in question could not have been in existence at the time of acquisition. And the independent engineer said that the issue is a general developing / usage fault, consistent with car ownership and general car use and deterioration.

I know that Mrs A has questioned the validity of the independent inspection. Among many arguments made by her, she has pointed to a car health check that was completed by a third-party garage in January 2024. This health check stated several different issues with the car. Some of these were repaired by the supplying dealership at the time. However, Mrs M feels that the issues mentioned there were linked to the engine failure that has happened in June 2024. But I have not seen enough evidence to say that, most likely, the repairs completed at the time have failed. Also, I have not seen enough to be able to say that, most

likely, the issues from that time were linked to the engine issues she experienced in June 2024.

When coming to the above conclusion, I have considered that, at that time, the car had travelled around 93,890 (almost 3,000 miles since the point of acquisition). I have also considered that after this health check Mrs M also managed to do another 6,000 miles before the engine issues arose. During this time, at the end of April 2024, Mrs M completed a major service, and I think if there were significant issues with the engine developing, most likely, this would have been mentioned at that point in time. Also, I think the repairs completed during the visit in April 2024, most likely, would not make the car of unsatisfactory quality as Mrs M had travelled a significant number of miles before the heat shield was repaired, and the oil cooler plate, two coolant flanges, one coolant hose, plus the coolant in the car needed to be replaced. Therefore, I think, most likely, these repairs were needed because of normal wear and tear, and parts coming to the end of their life cycle.

In addition, I have taken into consideration the age and mileage of the car, combined with the timing when the engine failure occurred. At the time the car needed the engine repair it was over 12 years old, about seven months after supply, and had had travelled a significant number of miles (approximately 99,731 miles), and around 8,700 miles since its acquisition. So overall taking all the circumstances of the case in question, I do not think the car was of unsatisfactory quality when it was supplied.

Mrs M has told us a lot about her personal circumstances and while I sympathise with her for all the difficulties that she is experiencing, based on all the information available in this case, I do not think there is sufficient evidence to say that, most likely, FRF should be responsible for the faults with the car. As such, I do not think it would be fair and reasonable to ask FRF to take any further action regarding these.

### **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 Mrs M to accept or reject my decision before 18 July 2025.

Mike Kozbial  
**Ombudsman**