

The complaint

Mrs K complains that a car supplied to her under a hire purchase agreement with Marsh Finance Limited (MFL) is of unsatisfactory quality.

What happened

The circumstances surrounding this complaint and my initial findings were set out in my provisional decision which said:

In April 2023 Mrs K entered into a hire purchase agreement with MFL to purchase a used car. The car was over six years old and had travelled around 87,001 miles. The cash price of the car was £12,499.00 with an advance payment of £250.00 being paid. The total balance amount repayable on the agreement was £17,798.00 payable over 60 months. This was made up of 59 monthly repayments of £329.80 with a final repayment of £339.80 including an option to purchase fee.

Mrs K explained that the car suffered a break down in February 2024. This was investigated by a repairer. They found the diagnostic port was damaged, so this needed to be fixed before any work could be carried out. Once this was done it was determined the car had suffered a mis-fire. The repairer investigated and found it was likely due to a spark plug failure causing damage to the engine.

Mrs K complained to MFL about this. In its response, MFL explained that as the issue had happened outside of the first six months of the agreement, Mrs K would have to supply evidence showing the issues were likely to have been present or developing at the point of sale.

An independent car inspector was instructed by Mrs K to inspect the vehicle. When inspected the engineer stated that evidence of replacement spark plugs prior to the sale of the vehicle was needed to determine who would be responsible for the cost of the repairs.

Mrs K supplied this report to MFL, there was also some discussion over the service history of the car with evidence of a service carried out by the dealership, or any available service history being requested. Ultimately MFL didn't consider anything provided as proving the issue was present or developing at the point of sale and so did not uphold the complaint.

As Mrs K was unhappy with this, she brought the complaint to this service where it was passed to one of our investigators.

The investigator upheld the complaint. She considered the issue with the spark plugs was likely to have been developing at the point of sale making the vehicle of unsatisfactory quality when it was supplied. The investigator said the fairest way to resolve the complaint is for MFL to be responsible for the repair costs, or if not economically viable, then to accept reject of the vehicle. Alongside reimbursing the independent inspection report cost, refunding some monthly payments, refunding the deposit if rejection is the route followed and paying £300 for distress and inconvenience caused to Mrs K.

In response, Mrs K agreed, but MFL didn't. MFL said no evidence has been supplied to show the issues were present or developing at the point of sale and that spark plugs are considered a wear and tear item so Mrs K is responsible for replacing these through servicing of the vehicle. As such, I've been asked to review the complaint to make a final decision.

I sent Mrs K and MFL my provisional decision on 4 June 2025. I explained why I thought the complaint should be upheld. The key parts of my provisional findings are copied below:

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Mrs K acquired a car under a hire purchase agreement. Entering into consumer credit contracts like this is a regulated activity, so I'm satisfied we can consider Mrs K's complaint about MFL. MFL is also the supplier of the goods under this type of agreement meaning they are responsible for a complaint about the supply of the car and its quality.

The Consumer Rights Act 2015 (CRA) is relevant in this case. It says that under a contract to supply goods, there is an implied term that "the quality of the goods is satisfactory, fit for purpose and as described". To be considered as satisfactory, the CRA says the goods need to meet the standard that a reasonable person would consider satisfactory, considering any description of the goods, the price and all the other relevant circumstances.

So, it seems likely that in a case involving a car, the other relevant circumstances a court would consider might include things like the age and mileage at the time of sale and the vehicle's history. The CRA also explains the durability of goods is part of satisfactory quality.

In this case, Mrs K acquired a car that was over six years old and had travelled around 87,001 miles. As this was a used car with this mileage and age, it's reasonable to expect parts may already have suffered more wear and tear when compared to a new car or one that is less travelled. There's a greater risk this car might need repair and/or maintenance sooner than a car which wasn't as road-worn.

I've reviewed the available evidence about the issues Mrs K experienced with the car. Based on what I've seen, I'm satisfied that there was a fault with the car. I say this because neither MFL nor Mrs K dispute the vehicle had an issue with the spark plug damaging the engine that requires repair. I've also seen diagnostics and paperwork showing this fault. Having considered the car had a fault, I've considered whether it was of satisfactory quality at the time of supply.

I can see the vehicle was taken into a repairer for diagnostic after suffering the engine mis-fire. This diagnostic confirms the issue and the likely causes related to the spark plug.

When the independent car inspector came to prepare their report on the vehicle, they were able to examine it and as mentioned above explained that evidence would be needed of replacement of the spark plugs prior to the sale of the vehicle to determine who would be responsible for the repairs, and if these were not changed alongside the maintenance schedule this would be significant in the particular issue and may suggest the spark plug issue was developing when sold, just that it wasn't evident at that point.

As part of Mrs K's communication, she's provided an email stating the technicians can say with certainty that no spark plugs should or would be in the state that one of these was after either three years or 3,032 miles – referring to the schedule for changing the spark plugs. They go on to say the technicians have suggested the plugs have remained unchanged for longer than the recommended service schedule.

I can also see communication appearing to be between Mrs K and the dealership where she asks for service records including the service that was carried out by the dealership. In response the dealership suggest the oil filter, air filter and engine oil were changed, but do not mention anything else or appear to have any documents about the service history showing this. The dealership have provided an invoice dated 26/04/2023 showing the cost for three spark plugs with the customer reference showing the number plate of the vehicle.

However this doesn't confirm that these spark plugs were fitted, it doesn't confirm why they were changed or any other information, just a cost for three spark plugs dated around five days after the agreement was signed. I can also see that service history documents have been requested by this service previously without anything further being supplied.

There has been some discussion around the advert for the car mentioning service history and full service and whether this actually applied to this vehicle due to a disclaimer on the advert. However I don't consider this to be wholly relevant to the issue. The vehicle not having a full service history does not mean that issues developing at the point of sale making the car of unsatisfactory quality can be overlooked. I acknowledge why it has been raised though.

MFL wanted to see evidence to show the issue was likely present or developing at the point of sale. The independent inspector thinks that evidence about when the spark plugs were changed is particularly relevant and would show who is responsible for the repairs. The most reasonable way to evidence this would be through job cards and service history documents potentially showing what work was carried out in relation to the spark plugs, when and for what purpose.

Without these, it is unlikely Mrs K can show what MFL are asking for exactly, as this might require documented evidence provided by another party showing that the spark plugs were not replaced. Not much in the way of service history or job cards have been supplied when requested by Mrs K or this service. However, Mrs K has supplied testimony appearing to be from the repairer alongside their diagnostic about the condition of the spark plugs, and in the absence of any service history documents I'm persuaded that all of the available evidence supports that the spark plug issue was present or developing at the point of sale.

I'm not persuaded that the invoice for three spark plugs shows these were fitted to Mrs K's vehicle before it was supplied as it does not show me these were fitted, just that a cost for them is displayed. This is not to say that they were not, but if they were fitted, and old spark plugs were replaced, I'd like to see a record of this in the form of something like a job card, or a service record documenting the work taking place given that one has appeared to have failed early if it was replaced.

So, having looked at everything that has been supplied, I am persuaded the issue with the spark plugs was present or developing at the point of sale as I cannot see these have been replaced in line with the manufacturer's schedule prior to the sale, meaning the vehicle was not of satisfactory quality.

I acknowledge MFL's point about spark plugs being considered a wear and tear item, but the cause of the failure is that the vehicle hasn't been properly maintained before it was supplied to Mrs K, meaning the issue was developing then. Had the plugs been replaced prior to the sale, the responsibility then lies with Mrs K to keep the vehicle in good working order and undertake maintenance as required. Sometimes things will occur that you may not expect, but will need to take care of. However, I'm persuaded Mrs K was supplied with a vehicle that was not properly maintained prior to supply, leading to the issue having been present or developing at the point of sale.

I invited both parties to make any further comments. Mrs K responded to accept the provisional decision. MFL responded to disagree with the provisional decision, and supplied some points it wanted to raise in support of their position. Now both parties have had an opportunity to comment, I can go ahead with my final decision.

What I've decided and why

As MFL responded to disagree with my provisional decision and supplied points in relation to this, it will be useful for me to provide answers to these here. MFL explained they note I was persuaded the spark plugs were changed on the vehicle, however the information was provided by Mrs K's appointed third party garage and not the selling garage. In my provisional decision, I'd outlined that I'm persuaded the issue with the spark plugs was present or developing at the point of sale, this is based on the information provided by all parties. Sometimes I will need to rely on information provided by third parties, and this is reasonable to do so. In this case, examining all of the information provided by all sources, persuaded me as explained above.

MFL also raised concerns about some of the information contained in the independent inspection report, as the engineer confirmed he was shown images of the spark plugs, not witnessing them being removed from the vehicle, meaning there is no evidence to confirm those spark plugs came from the vehicle. MFL also explained the engineer confirmed the vehicle was in good serviceable condition in relation to the wet belt. MFL went on to say that this is a part known for failing if a vehicle is not correctly serviced if looked after, however this is not the case. I can see that the engineer reports that the damage found is consistent with the debris from spark plug causing damage to the number three piston or valves causing the lack of compression. Whilst the engineer explains they were shown a photo of the spark plug, and does not confirm seeing it removed from the vehicle, as the condition of the plug and the damage caused is consistent in their opinion, I have no reason to doubt the photo was not of the spark plug removed from the vehicle. Alongside this, I acknowledge MFL's argument around the wet belt, however, because one part on the vehicle has not failed, does not mean that the spark plugs were or were not replaced when they should have been according to the manufacturer's schedule or does not mean they have not failed earlier than they should have if they were replaced. The evidence I have in this case persuaded me the vehicle was not of satisfactory quality due to the spark plug issue, and the information about the wet belt does not persuade me differently as explained.

MFL also explained it believes I've failed to note Mrs K had completed over 12,000 miles in the vehicle between the date of purchase and the inspection report being carried out which would suggest the vehicle was more than fit for purpose at the point of sale, and if the vehicle was purchased in a faulted state, MFL would not expect the vehicle to have completed the mileage it had in ten months of ownership, especially as the concerns that have been raised are in relation to something as noticeable as a mis-fire on a vehicle.

When reviewing the case and evidence, the mileage of the vehicle both when it was supplied and when it failed were taken into account in my decision making. I acknowledge MFL's point around the mileage covered, but the evidence and information supplied in the complaint persuade me the issue with the spark plugs were present or developing at the point of sale. The mis-fire issue appears to have happened when the plug has failed, as I can't see this has been investigated before this point and so I can't see that a mis-fire would've happened until it did, when the plug failed. As I've explained in my provisional decision, based on all of the information available, I'm not persuaded the spark plugs were replaced as they should have been prior to Mrs K taking ownership of the vehicle, and as such the issue with the plugs was present or developing at the point of sale. This is also considered by the engineer conducting the inspection report when they've stated evidence would be needed of replacement of the spark plugs prior to the sale of the vehicle to

determine who would be responsible for the repairs. If these were not changed alongside the maintenance schedule this would be significant in the particular issue and may suggest the spark plug issue was developing when sold, just that it wasn't evident at that point. They also comment in the report prepared; it is most likely thermal fatigue due to spark plug ageing.

I thank MFL for supplying the information explained and answered above in response to my provisional decision. After I've considered these alongside the existing information and my provisional decision, as none of the information has changed my decision or the reasons why I'm not persuaded the vehicle was of satisfactory quality, I see no reason to depart from my provisional findings outlined above alongside the added explanation in response to MFL's points raised. It then follows that what I'd provisionally decided MFL needed to do to put things right has also not changed.

Putting things right

As I've concluded that the car was not of satisfactory quality when it was supplied, I think it's reasonable MFL should put things right.

In some cases, a repair may be a fair way to resolve things, however, in this case, I do not think repair is a fair outcome. I say this because given the issues reported, the cost of repair is not likely to be economically viable. The vehicle has also remained out of action for a considerable length of time, potentially causing further issues.

In this case it's fair for MFL to allow a rejection of the vehicle as of February 2024, when the vehicle was no longer able to be driven. MFL should end the contract, collect the vehicle at no cost to Mrs K, reimburse her deposit and refund all monthly instalments from when she was unable to drive the vehicle in February 2024.

MFL should also reimburse any evidenced diagnostic costs incurred to identify the issues including the independent inspection report. I also think it is fair for MFL to reimburse Mrs K the cost of having the diagnostic port repaired, as she would not have had to pay for this repair at this point if she was not supplied with a car that was of unsatisfactory quality.

I agree with the investigator that it is fair for MFL to pay Mrs K £300 for the distress and inconvenience caused, particularly in light of Mrs K's testimony around struggling to stay mobile and the impact this has had on her.

My final decision

For the reasons explained, I uphold Mrs K's complaint and instruct Marsh Finance Limited to do the following:

- End the agreement with no further monthly instalments to pay as outlined above.
- Collect the vehicle at no cost to Mrs K if this has not been carried out already. Mrs K has explained she'd arranged for the car to be collected previously.
- Refund the deposit paid – Marsh Finance Limited are entitled to retain any part of the deposit made up by dealer contributions if applicable.
- Refund Mrs K all monthly payments made after the agreement is treated as ended.
- Reimburse evidenced diagnostic and report costs as outlined above.
- Reimburse evidenced diagnostic port repair as outlined above.
- Pay 8% simple yearly interest* on the above, to be calculated from when Mrs K made the payments to the date of settlement.
- Pay Mrs K a total of £300 for the distress and inconvenience caused.

*HM Revenue & Customs requires Marsh Finance Limited to deduct tax from the interest amount. Marsh Finance Limited should give Mrs K a certificate showing how much tax it has deducted If she asks for one. Mrs K can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs K to accept or reject my decision before 21 July 2025.

Jack Evans
Ombudsman