

## **The complaint**

Mrs V has complained about the quality of a car provided on finance by Go Car Credit Limited (GCCL).

## **What happened**

GCCL supplied Mrs V with a used car on a hire purchase agreement in December 2023. The cash price of the car was around £11,600 and it had covered around 75,500 miles since first registration in April 2015. The hire purchase agreement required payments of around £400 for 49 months. Mrs V paid a deposit of £1,500 and the total amount payable was around £20,800.

Mrs V complained to GCCL in April 2024, she said that the mileage was now around 80,000. She said that there were the following faults:

- The exhaust was hanging off and a repair had cost £240
- The steering wheel was shaking over 40 mph
- The car moved with the handbrake on

GCCL said it asked Mrs V to send in a diagnostic with details of the faults. It offered to pay £60 towards the cost of the diagnostic at a local garage.

GCCL said that Mrs V called again in April 2024 and said she had been stopped by the police and both front tyres were bald. GCCL said that the tyres were a wear and tear item and as Mrs V had driven 4,000 miles the cost of replacement was her responsibility.

GCCL said that there was a further call at the end of April and Mrs V said the car had been inspected, the steering had seized and could not be driven, and she would supply the report.

GCCL said the only evidence it received was photos of tyres and a wheel balance tracking report. GCCL said there was a further call alleging the callipers and brake discs were seized caused by friction in the bearings. GCCL said the health report supplied did not confirm the faults with the car were present or developing at the point of supply.

GCCL also addressed the depreciation in value of the car and the amount of interest charged, as Mrs V said she was sold a dodgy car.

Mrs V referred her complaint to our service. She said that faults started a month after she acquired the car. She said the faults included:

- Brakes and discs
- Tyres
- Exhaust
- Suspension
- The engine was remapped

Mrs V said that she either wanted repairs to be made or to reject the car and end the agreement, with a refund of her payments since the car broke down, and associated costs.

An investigator here looked at the complaint. He said that there wasn't sufficient evidence that there was a fault which made the car of unsatisfactory quality. He didn't recommend that GCCL do anything to resolve the complaint.

Mrs V disagreed and said that she was waiting for another report.

The complaint has been passed to me to make a decision.

### **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.

I've read and considered the evidence submitted by both parties, but I'll focus my comments on what I think is relevant. If I don't comment on a specific point, it isn't because I haven't considered it, but because I don't think I need to comment in order to reach what I think is the right outcome. This is not intended as a discourtesy but reflects the informal nature of this service in resolving disputes.

Where the evidence is incomplete, inconclusive, or contradictory (as some of it is here), I reach my decision on the balance of probabilities – in other words, what I consider is most likely to have happened in light of the available evidence and the wider circumstances.

The agreement in this case is a regulated consumer credit agreement. As such, this service is able to consider complaints relating to it. GCCL is also the supplier of the goods under this type of agreement, and responsible for a complaint about their quality.

The Consumer Rights Act 2015 (CRA) is of particular relevance to this complaint. It says that under a contract to supply goods, there is an implied term that "the quality of the goods is satisfactory."

The CRA says the quality of goods are satisfactory if they meet the standard that a reasonable person would consider satisfactory taking into account any description of the goods, the price and all the other relevant circumstances. In a case involving a car, the other relevant circumstances might include things like the age and mileage at the time of supply and the car's history.

The CRA says 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.

When Mrs V acquired the car in December 2023 the mileage was around 75,500 and the cash price was around £11,600. The price of the car was lower than it would've been if it had been supplied new. The car was first registered in April 2015, so by this stage it was around eight years old. The mileage at supply appears average considering its age, and it wouldn't be unreasonable to expect the car to be showing some signs of wear and tear, and that might include the underlying components. The price paid usually reflects the age and condition of the car.

The CRA sets out that goods which do not conform to the contract at any time within the period of six months beginning with the day on which the goods were delivered to the consumer, must be taken not to have conformed to it on that day. Unless it's established the

goods did conform to the contract on that day, or that the application is incompatible with the nature of the goods or with how they fail to conform to the contract.

As a starting point there would need to be some evidence of what the fault was. And secondly, that the fault renders the car of unsatisfactory quality.

Mrs V contacted GCCL towards the end of April 2024. She said that the exhaust was hanging off, the steering was shaking, and the car moved with the handbrake on. She later told GCCL that there were problems with the brakes, suspension, tyres and that the engine was remapped. Considering the requirements of the CRA I don't think it was unreasonable for GCCL to offer to pay for a diagnostic so that it could think about its liability, given the description of the faults.

When something goes wrong with a car it isn't automatically something that the finance provider is responsible for. Sometimes the underlying components of a car suffer wear and tear which might mean that they come to the end of their serviceable lifespan during the course of a finance agreement.

GCCL aren't required to supply a working car for the whole of the agreement. Unfortunately, due to the nature of mechanical engineering sometimes things go wrong that can't be anticipated, and it is the consumer's responsibility to pay for maintenance and repairs. But the goods do need to be of satisfactory quality at the point of supply.

Mrs V has supplied reports which indicate the mileage covered was around 85,000 when she had it inspected in July 2024. Mrs V was able to drive the car for around 9,500 miles before the car had a complete inspection. This is important to note as some of the issues may have arisen or become apparent during this time and they may not have been present or developing at the point of supply.

The difficulty here is that the report doesn't make any comment on whether the faults were due to a manufacturing defect. The MOT inspection checklist indicated that some of the defects may have been present when the car was acquired, but our investigator checked this with the inspector and was told that this was information supplied by Mrs V, rather than the inspector's opinion.

The faults with the car could be due to damage sustained during Mrs V's possession of the car, or reasonably expected wear and tear, which wouldn't be GCCL's responsibility. Or it could point to a defect that was present at the point of supply.

I've not seen sufficient evidence to clearly say that there was a fault that made the car not of satisfactory quality at the point of supply. I've considered Mrs V's evidence carefully, but I can't say on the balance of probabilities it is more likely that the car had an inherent fault. I'm not saying something definitely didn't go wrong, merely that I don't think it was unreasonable for GCCL to have expected there to be more persuasive evidence that the car wasn't of satisfactory quality when it was supplied. Especially as it was prepared to pay for a report.

I've noted that the car passed an MOT in December 2024 and the mileage was around 89,000. I asked Mrs V if she had further repairs completed to allow the car to pass the MOT and to provide evidence if she did. She has told us that she paid for repairs, but the evidence she's provided relates to repairs she paid for in April and May 2024. The repairs were for new tyres and brakes and there were quotes for other items but not evidence that the repairs were completed.

These are items that might have been road worn and not in a brand-new condition when she acquired the car. I haven't seen sufficient evidence in relation to the steering. But just

because the items that were repaired might not have been in perfect condition that doesn't mean the car wasn't of satisfactory quality when it was supplied. Mrs V has now been able to drive around 13,500 miles since the car was supplied. And I don't think this would have been possible if there were faults which made the car not of satisfactory quality when it was supplied.

I can understand that Mrs V is disappointed that the car had several issues, that might not have been cheap to rectify. But the report hasn't made any link to something that made the car of unsatisfactory quality at the point of supply. What I have to bear in mind is that just because I've seen there were faults with the car, this doesn't necessarily mean the car wasn't of satisfactory quality when it was supplied.

I'm sorry to disappoint Mrs V, but without sufficient evidence of a fault which made the car of unsatisfactory quality at the point of supply, I find I don't have the grounds to direct GCCL to allow her to reject the car or refund the cost of repairs.

Mrs V was also unhappy that the value of the car had depreciated somewhat since she acquired it. I haven't found any evidence that the car was sold over value, and ultimately Mrs V agreed the sale price with the dealership.

I understand that Mrs V might have stopped paying towards the agreement. GCCL are required to treat her with forbearance and due consideration if she is in financial difficulties. If Mrs V needs debt advice our investigator will be able to signpost her to relevant organisations who can support her. As this didn't form part of the complaint, I haven't dealt with it in my decision, but Mrs V can contact GCCL again if she is unhappy with how she has been treated.

GCCL offered to pay up to £60 towards the cost of a report before it issued its final response. Mrs V has given evidence that she paid £45 for the report in July 2024. I haven't found that the car wasn't of satisfactory quality, but I do think the offer to pay for the report was fair given the requirements of the CRA. GCCL have offered to pay the cost of the report but want to apply it against the arrears balance. If Mrs V is unhappy about that, she can contact GCCL but I won't deal with that as part of this decision.

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs V to accept or reject my decision before 23 April 2025.

Caroline Kirby  
**Ombudsman**