

## **The complaint**

Mrs A is unhappy that a car supplied to her under a hire purchase agreement with Marsh Finance & Commercial Limited ("Marsh") was of an unsatisfactory quality.

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

## **What happened**

In mid-April 2024, Mrs A was supplied with a used car through a hire purchase agreement with Marsh. The cash price was £35,989 and, after accounting for Mrs A's part-exchange and the cost of credit, the total payable under the agreement was £35,240.80. The term was set to 60 months, with 59 monthly payments of £587.18 and a final payment of £597.18 which included the option to purchase fee.

At the time of supply, the car was four years and six months old and had done 33,768 miles (taken from the MOT dated 16 April 2024).

Both parties are aware of the complaint details, so I'll simply summarise the key issues.

Mrs A experienced problems with the car in the first week and repairs were needed to the sunroof and tie end rods. She spoke to the supplying dealer (SDL) which advised her to speak to the broker. The broker directed her back to the SDL, which then said she should go through the warranty. The warranty provider said it didn't cover the faulty parts. Mrs A contacted the broker again which told her to take the car to a garage. Mrs A took the car to a garage which said there were sensor and motor faults and the sunroof needed to be repaired with specialist tools at a main dealership (MDL). Repairs were completed.

Mrs A continued to experience multiple problems with the car, and had to call out roadside assistance. Roadside assistance told her to take the car to a dealer. She spoke with a garage which told her she'd need to get the MDL to complete repairs using specialist equipment. To begin with, Mrs A asked the broker and SDL for help. But, because she didn't get help from the broker, and the SDL didn't reply, Mrs A took the car to the MDL for repairs.

The repair invoice, dated 9 August 2024, totalled £5,382.98, and Mrs A said she had to enter into a payment arrangement and borrow money to pay it. She also hired a car for the period of repair, costing £874.85, and struggled to meet the monthly payments for her car.

Unhappy with the quality of the car and the cost to her in the first four months, Mrs A complained to Marsh. She wanted the repair and hire car costs reimbursed and compensation for the distress and inconvenience caused.

On 1 October 2024, Marsh issued its final response to the complaint. It said the SDL had already agreed to cover the sunroof and tie end rods repair. However, Marsh said the repairs the MDL completed for Mrs A were unauthorised and could've been sourced at a lower cost. Therefore, Marsh didn't think it should be liable for the costs.

Unhappy with this response, Mrs A referred her complaint to our service.

The investigator thought Mrs A's complaint should be upheld. She said there'd been a fault with the car and the SDL had agreed to reimburse the repair costs. This indicated the car was not of satisfactory quality when it was supplied. Based on the evidence of Mrs A's attempts to get the car fixed through the broker, warranty and SDL, our investigator thought her decision to get the car repaired at the MDL was fair and reasonable. Therefore, our investigator thought Marsh should reimburse Mrs A for the repairs, the hire car charge and pay interest on both. Further our investigator thought Marsh should pay £250 compensation for the distress and inconvenience caused.

Marsh didn't agree with the investigator. It said:

- There was no definitive evidence that the issues were present at the time of supply.
- Any problems could've been caused by Mrs A or another driver.
- Further problems weren't mentioned in the first invoice, suggesting the problems only arose when the car was in Mrs A's possession.
- Work other than the sunroof and tie end rods was unauthorised.

In addition to these specific points, Marsh also brought attention to another case decided by our service in which the cost of unauthorised repairs had not been awarded. Marsh said it expected consistency of decisions, so it didn't think the proposed action was warranted.

Because Marsh didn't agree, this matter has been passed to me to make a final 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.

Having done so, I've reached the same overall conclusions as the investigator, and for broadly the same reasons. I haven't commented on every point because I don't believe it's affected what I think is the right outcome. Mrs A and Marsh are aware of the circumstances and where evidence is incomplete or contradictory, I've reached my view based on what I think is most likely to have happened given the available evidence and wider circumstances.

In considering this complaint I've had regard to the relevant law and regulations. Mrs A was supplied with a car under a regulated consumer credit agreement, which means we are able to investigate complaints about it.

The Consumer Rights Act 2015 (CRA) covers this agreement and 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 any other relevant circumstances. In this case, I think some of those relevant circumstances include 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.

So, if I thought the car was faulty when Mrs A took possession of it, or that the car wasn't sufficiently durable, and this made the car not of a satisfactory quality, it'd be fair and reasonable to ask Marsh to put this right.

### Other Decisions

Firstly, I'll address Marsh's comment about inconsistent outcomes.

I've noted the decision Marsh referred to in which unauthorised repair costs weren't awarded. A crucial part of our service and the way we consider complaints is that we consider each complaint on its own merits and its own individual circumstances. So, my decision won't be impacted by any decision made on a different complaint, no matter how similar Marsh feels the situation is. It may be worth Marsh noting in particular, the age and mileage of Mrs A's car, and her attempts to get the repairs done through the proper channels before arranging her own repairs.

### Undisputed Faults

In this instance, it's not disputed there was a problem with the sunroof and tie end rods. And, as the SDL agreed to cover the cost of those repairs, I don't think there's any dispute that these faults were present when the car was supplied to Mrs A. As such, I'm satisfied that I don't need to consider the merits of this issue within my decision.

### Single Chance at Repair

Section 24(5) of the CRA says "a consumer who has ... the right to reject may only exercise [this] and may only do so in one of these situations – (a) after one repair or replacement, the goods do not conform to contract." This is known as the single chance of repair and this applies to all issues with the goods, and to all repairs. It's not a single chance of repair for the dealership AND a single chance of repair for Marsh – the first attempted repair is the single chance at repair. If a different fault arises after a previous repair, even if those faults aren't related, the single chance of repair has already happened – it's not a single chance of repair per fault.

The CRA is clear that, if the single chance at repair fails, as was the case here, then Mrs A has the right of rejection. However, this doesn't mean that she was required to reject the car. Here, Mrs A chose to seek further repairs.

### Disputed faults

Marsh said many of the faults appeared while the car was in Mrs A's possession. On 29 April, Mrs A had the tie end rods repaired and on 30 April a different garage said they found multiple sensor and motor faults when investigating the sunroof fault. Mrs A paid £50 for the investigation but the garage said the MDL would need to complete repairs. This was just two weeks after Mrs A bought the car. The initial faults were sufficient evidence that the car was not of satisfactory quality when supplied. The subsequent faults, all identified within the first 12 weeks and likely to have been present at supply, suggest the car wasn't durable.

To be of satisfactory quality, the car would also need to be durable. I think it's unlikely a reasonable person would expect a car of this age, price, and mileage to have faults costing in excess of £6,000 to repair within the first 12 weeks after supply.

### Cost to repair

Marsh said it would've been possible to obtain cheaper repair quotes. I've looked at the communication between Mrs A, SDL, the broker and Marsh, and the evidence shows that she was happy to use whatever repairer the business required of her. However, she'd been told that a main dealership would need to complete at least some of the repairs using specialist equipment, and she'd invited Marsh to check that with the MDL. Nothing was arranged for her, and I've noted that she was just told to get quotes.

Contact between Mrs A and the broker was ongoing throughout May, July and August, and both parties confirmed that during that time they couldn't get hold of the SDL to arrange repairs. Mrs A was directed to the warranty provider which said it wouldn't offer help. It's evident Mrs A became increasingly frustrated with the lack of action, and her email of 22 July demonstrates this:

*"Happy to go ahead with your quote however after speaking with the garage today they said they are not able to carry out the works on the car as it's a newer model and they haven't got the specialist equipment (...) I need this work sorted and as explained and advised to me (...) this work can only be carried out by [the main dealer] them. Please feel free to contact them as I am having issue after issue with this vehicle (...) the motor on the wing mirror stopped working the driver side. I wasn't able to drive I called out [roadside assistance] who weren't able to fix this they said the electrical components inside the mirror or the wiring has failed. Can you please advise me on this matter as soon as possible."*

Mrs A had the repairs done on 5 August. Given that some of the faults made it unsafe and, in some instances, possibly illegal to drive the car, I think this was a reasonable course of action in the circumstances.

#### Hire car

I've noted that the repair took several days and during that time Mrs A had use of a hire car. She paid £874.85 for the car. Given that she was also making monthly payments for the car being repaired, which I've already said was not of satisfactory quality at the time of supply, I think it's reasonable that Marsh reimburses her the hire car cost.

#### Compensation

It's clear that Mrs A has been inconvenienced by having to arrange for the car to be repaired, and by having to arrange a hire car given the length of time needed for the repairs. Mrs A wouldn't have had to spend time doing this if the car was of a satisfactory quality. So, I think Marsh should pay her £250 compensation to reflect the distress and inconvenience caused.

#### Conclusion

Overall, I think Mrs A made the relevant parties aware of the faults, had an initial investigation showing faults were present within two weeks of getting the car, and she received little to no support. I think it was reasonable for her to rely on the garage's advice to have the work done at a main dealership. And I don't think it's fair to simply say the work was unauthorised when Mrs A had been asking for help with the faults and only got them repaired herself after almost four months.

So, for these reasons, I think it's fair and reasonable for Marsh to cover the costs Mrs A incurred because the car supplied to her was not of satisfactory quality and her requests for repairs were not dealt with. Further, I'm satisfied that £250 is fair and reasonable compensation for the distress and inconvenience this matter has caused Mrs A.

#### **My final decision**

For the reasons explained, I uphold Mrs A's complaint and Marsh Finance & Commercial Limited must:

- reimburse Mrs A with the evidenced repair costs totalling £6,243.03;

- reimburse Mrs A with the hire car charge of £874.85;
- apply 8% simple yearly interest on the amounts reimbursed to Mrs A, calculated from the date she made the payment to the date of the settlement<sup>†</sup>;
- pay Mrs A £250 compensation for the distress and inconvenience she described, caused by the supply of an unsatisfactory quality car, and
- remove any adverse information from Mrs A's credit file in relation to the matters addressed here.

<sup>†</sup>If Marsh Finance & Commercial Limited considers that tax should be deducted from the interest element of my award, it should provide Mrs A with a certificate showing how much it has taken off so she can reclaim that amount, if she is eligible to do so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A to accept or reject my decision before 20 March 2025.

Debra Vaughan  
**Ombudsman**