

## **The complaint**

Miss T complains about the quality of a car she has been financing through an agreement with Unity Auto Finance Ltd ('Unity').

## **What happened**

Miss T took receipt of a used car in June 2023. She financed the deal through a hire purchase agreement with Unity.

In, or around, August 2023 she experienced problems with the auto start/stop function and a traction control light illuminated. The dealership diagnosed dirty diesel but when the problem returned, on several occasions, fuel injectors were replaced.

In October 2023 a mechanic, Miss T took the car to, diagnosed a problem with the Engine Control Unit (ECU) and the electrics.

Miss T asked Unity to allow her to reject the car and they organised an independent inspection in December 2023. The inspector put the fault down to a partially blocked Diesel Particulate Filter (DPF) rather than the issues identified by Miss T's mechanic or the supplying dealership.

Unity didn't, therefore, think there was cause to reject the car but they did allow Miss T to return it on the basis that she would pay a charge of £4,868.15 for the mileage she had covered (35p per mile). They deducted the deposit and instalments Miss T had already paid and that left £2,581.67 for Miss T to settle the agreement.

Miss T didn't think that redress was fair, so she referred her complaint to this service. Our investigator thought the charge to settle the agreement was fair, but he thought Unity should also refund the £265 Miss T had paid to replace a fuel injector and that they should pay her £100 in compensation for the distress and inconvenience caused.

As Miss T didn't agree, her complaint has been referred to me, an ombudsman, 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 know it will disappoint Miss T, but I agree with our investigator's opinion. I'll explain why.

Where the information I've got is incomplete, unclear, or contradictory, as some of it is here, I have to base my decision on the balance of probabilities.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point, it's not because I've failed to take it on

board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

Miss T acquired her car under a regulated consumer credit agreement and as a result our service is able to look into complaints about it.

The Consumer Rights Act (2015) is the relevant legislation. It says that the car should have been of satisfactory quality when supplied. If it wasn't then Unity, who are also the supplier of the car, are responsible. The relevant law also says the quality of goods is 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 like this which involves a car the other relevant circumstances would include things like the age and mileage at the time the car was supplied to Miss T. The car here had already completed about 35,600 miles and was a little over six years old.

An old car with a high mileage will not be expected to be as good as a newer car with a low mileage, but it should still be fit for use on the road, in a condition that reflects its age and price.

### ***Should Unity have approved rejection of the car?***

The relevant legislation gave Unity one opportunity to repair faults that were present when the car was supplied. It seems likely to me that the early fuel injection issues were developing when the car was supplied to Miss T as they started soon after she took receipt of the vehicle. But as Miss T accepted those early repairs, and as the more recent issue that the independent inspector has considered appears unrelated. I don't think Unity were unreasonable not to approve rejection of the vehicle.

The independent inspector who is an expert in this area and who has sworn a duty to the courts to be independent, diagnosed a partially blocked DPF and as Miss T had completed almost 14,000 miles in the car by the time that issue was diagnosed, I think it's more likely than not that it wasn't an issue that was present when she took receipt of the car and had developed some time later. I don't think I have sufficient evidence to suggest that that more recent issue was related to, or the same as, the earlier fuel injector problems. The inspector had been alerted to the possibility the issue could be fuel contamination or injector related but didn't think that was likely and he couldn't identify any issue with the electrics or ECU.

### ***Is the redress offered fair?***

As I don't think Unity had to approve rejection of the car, I can't say they were unreasonable to subsequently allow Miss T to return it and to pay less than she would have if she had invoked her contractual rights to either voluntarily terminate the agreement or voluntarily surrender the car. The mileage covered in the car was higher than average so it seems reasonable to make a charge for that mileage as the car would have been likely to have a achieved a lower resale value. I don't think the charge Unity have levied is excessive.

Unity agreed with our investigator to pay £100 in respect of the distress and inconvenience caused to Miss T when there were delays in organising an independent inspection. As Miss T was without a car, and without redress, during that period I'd agree £100 is reasonable compensation.

Miss T has provided a screen shot of a bank statement to show she paid £265 to a garage. Unity have agreed to accept that as proof of payment for the fuel injector replacement Miss T organised. I think it's fair for Unity to refund that £265 as it related to problems I've already

explained were developing at the point the car was supplied to Miss T. They'll need to add interest to that refund as Miss T has been deprived of the money.

### **My final decision**

For the reasons I've given above, I uphold this complaint in part and tell Unity Auto Finance Ltd to:

- Pay Miss T £100 to compensate her for the distress and inconvenience she's experienced.
- Refund the £265 Miss T spent replacing the fuel injector. Add 8% simple interest per year from the date of payment (30 October 2023) to the date of settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss T to accept or reject my decision before 28 January 2025.

Phillip McMahon  
**Ombudsman**