

## **The complaint**

Mr G complains that a car that was supplied to him under a hire purchase agreement with Toyota Financial Services (UK) plc, trading as Redline Finance, wasn't of satisfactory quality.

## **What happened**

A used car was supplied to Mr G under a hire purchase agreement with Redline Finance that he electronically signed in April 2023. The price of the car was £15,238, Mr G part-exchanged a car that was given a value of £2,000 and he agreed to make 48 monthly payments of £206.77 and a final payment of £7,357.50 to Redline Finance.

Mr G took the car to a garage for a service in August 2024 and he was told that there were issues with the car which the garage said were due to prior neglect of the car as the service schedule was abused. Mr G complained to Redline Finance but it didn't uphold his complaint. It said that the onus was with Mr G to provide evidence confirming the issues were either evident or developing at the point of sale. It said that the dealer had offered to repair the car at a discounted rate as a gesture of goodwill and would also consider offering to buy back the car at the current market value for mileage covered less the cost of any repair work needed, which it felt were fair and reasonable solutions and in line with achieving a good customer outcome.

Mr G wasn't satisfied with its response and complained to this service. His complaint was looked at by one of this service's investigators who, having considered everything, initially said that Redline Finance should pay for the car to be repaired. Redline Finance provided further evidence and the investigator then said that he didn't recommend that it should be upheld. He was satisfied that the car was of satisfactory quality and said that he'd not been provided with any evidence that satisfied him that the issues were present at the time of supply.

Mr G didn't accept the investigator's recommendation so I've been asked to issue a decision on this complaint. Mr G says that the car broke down and started smoking which proves that there was something wrong with it and it isn't ok for a car to break and need thousands of pounds of repairs after only driving 7,000 miles. He also says that the car has been on his drive since then and has mould growing on the seats and he's refused to make payments to Redline Finance as he's had to pay for a hire car which has resulted in his credit score being heavily impacted. He says that he wants to end the agreement and hand the car back and for Redline Finance to fix the negative information on his credit file.

## **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.

Redline Finance, as the supplier of the car, was responsible for ensuring that it was of satisfactory quality when it was supplied to Mr G. Whether or not it was of satisfactory quality at that time will depend on a number of factors, including the age and mileage of the car and

the price that was paid for it. The car that was supplied to Mr G was first registered in March 2019 so was more than four years old, had been driven for about 38,450 miles and had a price of £15,238. Satisfactory quality also covers durability which means that the components within the car must be durable and last a reasonable amount of time – but exactly how long that time is will depend on a number of factors.

Mr G says that there were issues with the car soon after it was supplied to him but he's not provided any other evidence about those issues and he didn't complain to Redline Finance about any issues with the car until August 2024, about 16 months after the car was supplied to him. He says that the car broke down and started smoking but the August 2024 invoice from the garage says:

*“Vehicle presented for annual service as requested on dash. Vehicle is rattling from the gear box suspect clutch issue (full strip down would be required to determine the fault). Vehicle oil level above min but engine makes noise from wet belt on start up suspect worn wet belt. Continued use of the vehicle in this condition will more than likely result in engine failure.*

*Vehicle has travelled 7,000 miles between services in 16 months whilst owned by client. It is in our professional opinion that the service schedule was ... abused and the failure of the listed errors is due to prior neglect in the vehicle's early life (no service history presented?)”.*

The dealer has provided evidence to show that the car had its third annual service in April 2023, before it was supplied to Mr G, the used car preparation invoice and an invoice for a replacement alternator belt. The car passed an MOT test in February 2023, with no advisories, when its mileage was recorded as 38,446 miles and it passed another MOT test in June 2024, again with no advisories, when its mileage was recorded as 46,027 miles. The garage's invoice shows that the car's mileage was 46,061 miles when the issues were identified.

If there had been issues with the car when, or soon after, it was supplied to Mr G I would expect Mr G to have contacted the dealer and Redline Finance about those issues, but I've seen no evidence that he did so. The first evidence that he's provided about issues with the car is the garage's August 2024 invoice and, in the 16 months since the car was supplied to him, it had been driven for about 7,600 miles. I'm not persuaded that there's enough evidence to show that there were issues with the car that caused it not to have been of satisfactory quality when it was supplied to Mr G.

Mr G says that the car has been on his drive since August 2024 and has mould growing on the seats but I can see that the car passed an MOT test earlier this month. There are advisories about some of the brake pads and discs and about a tyre, but no advisories about the gears, belt or engine, and the car's mileage was recorded as 48,602 miles.

Redline Finance said that the dealer had offered to repair the car at a discounted rate as a gesture of goodwill and would also consider offering to buy back the car at the current market value for mileage covered less the cost of any repair work needed. If Mr G now wishes to explore those options, I suggest that he contacts the dealer.

Mr G says that he's refused to make payments to Redline Finance as he's had to pay for a hire car which has resulted in his credit score being heavily impacted. Mr G had agreed to make monthly payments of £206.77 and there was no requirement for Redline Finance to suspend those payments because Mr G had complained to this service. Redline Finance is required to report true and accurate information about Mr G's payment history to the credit reference agencies. I've seen no evidence to show that the information that it's reported to

the credit reference agencies isn't a true and accurate record of Mr G's payment history under the hire purchase agreement.

Mr G says that he wants to end the agreement and hand the car back and for Redline Finance to fix the negative information on his credit file, so I appreciate that my decision will be disappointing for him. I'm not persuaded that there's enough evidence to show that Redline Finance has acted incorrectly in its dealings with Mr G about the issues with the car. I find that it wouldn't be fair or reasonable in these circumstances for me to require Redline Finance to allow Mr G to reject the car and end the hire purchase agreement, to pay for the car to be repaired, to pay any compensation to Mr G, to remove any of the information that it's reported to the credit reference agencies about Mr G's payments or to take any other action in response to his complaint.

### **My final decision**

My decision is that I don't uphold Mr G's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 11 July 2025.

Jarrold Hastings  
**Ombudsman**