

The complaint

Mrs D complains about a car she acquired using a hire purchase agreement with 247 Money Group Limited trading as 247 Money (“247 Money”). She says the car wasn’t of satisfactory quality and that the registered keeper’s name wasn’t changed.

What happened

In February 2023, Mrs D entered into a hire purchase agreement with 247 Money for a car. The cash price of the car was just over £4,800 and it was nearly 10 years old.

Mrs D says she had constant problems with the car, and it was returned to the dealership on several occasions. Then, in October 2023, the car was seized by the police and impounded whereupon Mrs D discovered that the registered keeper was still showing as the previous person who had used the car prior to her acquiring it.

Mrs D complained to 247 Money. She said that she wanted nothing more to do with the car and wanted a full refund of everything she had paid under the hire purchase agreement and for records of the agreement to be removed from her credit file. Mrs D also said that personal possessions of hers were in the car and that these should be returned to her.

247 Money didn’t uphold the complaint. They said, in summary, that they weren’t responsible for the car not being registered in Mrs D’s name, and that the agreement had been terminated correctly because of arrears that had built up.

Mrs D wasn’t happy with 247 Money’s response and referred her complaint to our service. Our investigator didn’t recommend that the complaint should be upheld. He said that, while it was likely the car wasn’t of satisfactory quality when it was supplied, the car had been repaired and there wasn’t enough evidence to show any remaining issues with it. He also said that 247 Money weren’t responsible for the car not being registered in Mrs D’s name. Mrs D didn’t agree and so her complaint was passed to me to decide.

I issued my provisional decision on 10 December 2024, relevant extracts of which I include below.

‘247 Money supplied the car to Mrs D under a regulated hire purchase agreement. Our service can consider complaints relating to these sorts of agreements. Mrs D’s complaint is about two key issues. The first is that she alleges the car wasn’t of satisfactory quality when it was supplied. And the other second is that she wasn’t recorded as being the registered keeper which meant that her insurance was invalidated while she was using the car and meant that she couldn’t retrieve the car and her personal possessions after it was impounded.

The Consumer Rights Act 2015 (CRA) is relevant to this complaint. The CRA implies terms into the contract that goods supplied will be of satisfactory quality. The CRA says the quality of the goods is satisfactory if they meet the standard a reasonable person would consider satisfactory – taking into account the description of the goods, the price or other consideration for the goods (if relevant) and all other relevant circumstances.

I've firstly considered the problems Mrs D experienced with the car prior to it being impounded. It's relevant in my view to note that the car Mrs D acquired was nearly ten years old with around 100,000 miles on the clock. So, it wouldn't be reasonable to expect the car to be in the same condition as it was when it was new. But just because the car was used with mileage, doesn't mean that 247 Money has no requirements in relation to satisfactory quality.

Mrs D has said that the car was taken to the dealership on several occasions because of problems she had with it. I haven't been provided with much documentary evidence of this, except for an invoice from August 2023 which showed that all four of the car's tyres were low on tread 'and/or perishing and cracking heavily' because winter tyres had been fitted. The invoice also showed that the rear coil springs were corroded and that the rear axle bushes had started to perish.

I note though that 247 Money's account notes show that Mrs D had spoken to them within the first two months after she acquired the car, to say that the car's timing chain and turbo needed to be repaired or replaced. This hasn't been disputed to my knowledge. These were significant things that needed attention very soon after Mrs D had taken possession of the car. I don't think a reasonable person would expect such significant work to have been required at that stage even allowing for the fact that the car was used with quite high mileage.

So, even though I don't have much documentary evidence of the historic faults with the car, I think it more likely than not that the car wasn't of satisfactory quality when it was supplied. However, it appears that the car was fixed and was driveable up to the point that it was impounded by the police in October 2023. So, I'm not entirely convinced that Mrs D would have had recourse to reject the car at that time. It seems that what happened in October 2023 prompted Mrs D to complain, although I accept that the problems with the car prior to that probably compounded the situation for her.

I understand that the car was impounded by the police because it was uninsured. I also gather that Mrs D wasn't driving it at the time. Clearly, 247 Money can't be held responsible for the car being driven without insurance. However, Mrs D wasn't able to retrieve the car because she wasn't recorded as being the registered keeper, and this is how the matter then escalated.

247 Money says they aren't responsible for the issue with the registered keeper's name not being changed to Mrs D. I don't though agree with this. I think that the average member of the public would have expected the dealership to have taken steps to ensure that the name of the registered keeper was updated to reflect the person who would be using the car. I've not seen any information that the requirement for that lies with the person who is acquiring the car (and 247 Money is entitled of course to point me to something specific if they think I'm incorrect).

In my view, the dealership should have either let the DVLA know there had been a change of registered keeper or told 247 Money of this as the owner of the car, so they could arrange for this to be changed. And even if I'm wrong about that, I think at the very least the dealership should have told Mrs D that she needed to change the details herself. But I've not seen that they did this which essentially meant that Mrs D needed to have worked this out for herself. The dealership and the creditor are the experts on the intricacies of car registration and financing, and in my view, it was unreasonable for them place the onus entirely on Mrs D.

I think because of this, it can be argued that there was a failure of the requirements of the CRA for Mrs D to have been given all relevant pre-contract information prior to her entering

into the contract with 247 Money. I note also other requirements of the CRA that are likely relevant, for example that the contract 'is to be treated as including a term that all charges or encumbrances known to the trader and not known to the consumer were disclosed to the consumer before entering into the contract'. I think it can also be argued that the requirement under the CRA for a consumer to enjoy 'quiet possession' of the goods without being 'disturbed' by a third person to whom title of the goods has been transferred was breached, where the 'third person' here would be the registered keeper of the car. That also was the reason why the police wouldn't allow the car to be released back to Mrs D.

It's possible that Mrs D could have spoken with the police about what had happened to say that she was the registered keeper, bearing in mind she had a copy of the hire purchase agreement to hand showing that she was financing the car. But there's no guarantee that the police would have allowed Mrs D to take the car back. And it's not clear what 247 Money did to help either, and I'm not convinced they did much to help bearing in mind they seemed to place all the responsibility on Mrs D. They could for example have spoken to the police and explained that Mrs D had acquired the car and that there had been a mistake in not changing the registered keeper's name.

Overall, for the reasons I've set out above, I think 247 Money could have done much more to have helped the situation when the car was impounded. I realise that it's possible that Mrs D still would have refused to take the car back had it been released by the police to her. But the matter escalated because of the issue with the registered keeper's details, and I don't think the responsibility for this rested entirely on Mrs D. I haven't seen either that 247 Money contacted Mrs D to let her know that the car had been eventually retrieved and was ready for her to take back. I note also that 247 Money wrote to Mrs D saying they would arrange for her possessions to be returned, but from what I understand, this didn't then happen, and I've not seen that they updated Mrs D about this or told her what she needed to do to get these back.

As I think there were failings on the part of 247 Money in how they handled matters, I need to consider what needs to be done to put things right. This is complicated by the fact that the car is, I gather, no longer available for Mrs D to use and that presumably she is being held liable for an outstanding balance under the hire purchase agreement that was terminated.

I currently think the fairest way to resolve this complaint is for there to be a clean break between the parties. So, I think that 247 Money should cease asking Mrs D to pay anything that they consider is still owed. I think also that they should compensate her for the non-communication about her personal possessions and for the overall inconvenience that she's been caused. I don't know what value those possessions held in monetary or sentimental terms. So, I intend to say that 247 Money should pay Mrs D a total of £350 for this and for the inconvenience she was caused. And I also think it fair that 247 Money removes any adverse information they've recorded with credit reference agencies in relation to the hire purchase agreement, bearing in mind my findings on both the registered keeper issue and the likelihood the car wasn't of satisfactory quality when it was supplied to Mrs D'.

I asked both parties to provide any further evidence or comments that they wanted me to consider, by a specific deadline.

Mrs D replied saying she agreed with my provisional decision. 247 Money didn't reply.

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.

As I've not been provided with any more comments or evidence relating to the merits of this

complaint, I see no reason to depart from my provisional decision. So, for the reasons given in that decision, which I have included above, I uphold this complaint.

Putting things right

In my view, the fairest way to resolve this complaint is for there to be a clean break between the parties. So, I think that 247 Money should cease asking Mrs D to pay anything that they consider is still owed.

I also think that they should compensate her for the non-communication about her personal possessions and for the overall inconvenience that she's been caused. I don't know what value those possessions held in monetary or sentimental terms. Overall, I think 247 Money should pay Mrs D a total of £350 for this and for the inconvenience she was caused.

I also think it fair that 247 Money removes any adverse information they've recorded with credit reference agencies in relation to the hire purchase agreement, bearing in mind my findings on both the registered keeper issue and the likelihood the car wasn't of satisfactory quality when it was supplied to Mrs D.

My final decision

I uphold this complaint. I direct 247 Money Group Limited trading as 247 Money to take the action I've set out in the 'putting things right' section of my decision.

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

Daniel Picken
Ombudsman