

## **The complaint**

Mrs D complains that a car acquired under a hire purchase (HP) agreement with Go Car Credit Limited ("Go Car Credit") wasn't of satisfactory quality when it was supplied to her.

Mrs D has been represented in this complaint. But for ease of reading I will refer to Mrs D only within this decision.

## **What happened**

The parties are familiar with the background of this complaint so I will only summarise what happened briefly here.

In April 2022, Mrs D acquired a used car from a dealership (C). The total balance of the car was provided by Go Car Credit under a HP agreement. The car was five years old and had covered approximately 77,600 miles when the agreement started. The agreement was for 60 months, and the cash price of the car was £10,998.

Mrs D has said that she got in touch with C a couple of days after taking delivery of the car, as the service engine light was illuminated on the car's dashboard. She's said that C told her it was an error, and it could be ignored.

Mrs D got the car serviced in February 2023. The car had covered approximately 94,500 miles at this point. A couple of days after this service, the car broke down. Mrs D arranged for a recovery company to tow the car home, and she complained to Go Car Credit. They said it was for Mrs D to prove the car wasn't of satisfactory quality when it was supplied to her, due to the length of time she'd been in possession of the car.

Mrs D arranged for an independent inspection to be completed on the car. The inspection took place in May 2023, and the car had covered 96,000 miles. The report said a service had been missed in April 2022, shortly before Mrs D took delivery of the car, and this missed service had led to problems with the oil supply to the rear timing chain. The report concluded that the missed service meant the car was lacking durability when it was supplied to Mrs D.

Mrs D went back to Go Car Credit with the report, but they declined to help. They said the faults had occurred as a result of the car's age and use. Mrs D then paid for a new engine, and for this to be fitted, at a total cost of approximately £5,000.

Mrs D brought her complaint to our service. Our investigator upheld it. He felt the independent report was persuasive, and asked Go Car Credit to reimburse Mrs D for the engine replacement. He also said they should refund Mrs D monthly repayments between February and December 2023, as the car had been off the road during that time. Finally he asked Go Car Credit to amend Mrs D's credit file and remove any adverse information, as well as paying some compensation for the distress not having a car of satisfactory quality had caused her.

Go Car Credit didn't accept our investigator's recommendations. They said the service history had been explained to Mrs D prior to her taking delivery of the car, and it wasn't a

requirement of the dealership to service the car.

As Go Car Credit didn't accept, it's been passed to me to decide. I issued my provisional decision on 16 December 2024. It said:

*'I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.*

*When considering what is fair and reasonable, I'm required to take into account: relevant law and regulations, relevant regulatory rules, guidance and standards and codes of practice.*

*The fact the car was supplied to Mrs D by Go Car Credit under a HP agreement means that the credit provider has responsibility for things that were said or done by C prior to Mrs D's entry into the agreement.*

*I've read Mrs D's comments about the car not being serviced prior to it being supplied to her and the agreement being entered. With that in mind, I've reviewed relevant guidance issued by the Chartered Trading Standards Institute (CTSI)<sup>1</sup>. That information sets out to the motor trade steps to take in terms of compliance with relevant law<sup>2</sup>, such as avoiding misleading actions or omissions, and poor or unfair business practices.*

*The guidance says that a misleading action, or making a misleading omission, could be unfair. An example given is that of failing to disclose any discrepancies in a car's service history.*

*Having looked through the sales order and sales invoice given to Mrs D, and signed by her, prior to taking the car away I'm not persuaded that C gave a misleading action or made a misleading omission. The sales order and sales invoice both confirm that the car had had four previous services, and the mileage recorded at the last service was 69,899. C also gave Mrs D the car's service book. This confirmed the last service had been completed in early April 2021, and the recorded mileage at the time of the service was 69,899. Whilst it might be considered good practice for a dealership to service a car prior to allowing it to be supplied, it isn't a requirement. But C did have a duty to make Mrs D aware of the car's service history. I'm satisfied they've done that by supplying the sales order, the sales invoice, and the car's service book – all of which confirm the same mileage at the time of the last service, and the service book confirms the date the last service had been carried out. I'm satisfied this information was enough for Mrs D to have known the full-service history of the car and to ask any questions at this point if she had any concerns. She was happy to take delivery of the car based on the information she'd been provided with. And that information was correct. So, it follows that I'm not persuaded Mrs D was misled about the car's service history prior to entering into the agreement.*

*I will now consider whether the car was of satisfactory quality at the point of supply.*

*As the HP agreement entered by Mrs D is a regulated consumer credit agreement this service is able to consider complaints relating to it. Go Car Credit are also the supplier of the goods under this type of agreement and are responsible for a complaint about their quality.*

*The Consumer Rights Act 2015 (CRA) covers agreements like the one Mrs D entered. Because Go Car Credit supplied the car under a HP agreement, there's an implied term that*

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<sup>1</sup> Car traders and consumer law – Guidance for dealerships – can be found at <https://www.businesscompanion.info/focus/car-traders-and-consumer-law>

<sup>2</sup> Among other things, the Consumer Protection from Unfair Trading Regulations 2008, the Consumer Rights Act 2015, and the Consumer Contract Regulations 2013

*it is of satisfactory quality at the point of supply. Cars are of satisfactory quality if they are of a standard a reasonable person would find acceptable, taking into account factors such as – amongst other things – the age and mileage of the car and the price paid.*

*The CRA also says that the quality of the goods includes their general state and condition, and other things like their fitness for purpose, appearance finish, freedom from minor defects and safety can be aspects of the quality of the goods.*

*But, on the other hand, satisfactory quality also covers durability. For cars, this means the components must last a reasonable amount of time. Of course, durability will depend on various factors. In Mrs D's case, the car was used and had covered approximately 77,600 miles when she acquired it. So, I'd have different expectations of it compared to a brand-new car. Having said that, the car's condition should have met the standard a reasonable person would consider satisfactory, given its age, mileage, and price.*

*Our investigator has explained that he thinks the car wasn't sufficiently durable when it was supplied to Mrs D and, therefore, it wasn't of satisfactory quality at that time. I don't agree in this case. There is no doubt the car has had a serious fault – the inspection and previous breakdown recovery reports confirm that to be the case. But I'm not persuaded, from what I've seen, that I can conclude the car wasn't durable when it was supplied to Mrs D. I'll explain why.*

*Mrs D brought the problem with the car to Go Car Credit's attention in March 2023, almost a year after she'd been supplied with it. So, I need to consider if Go Car Credit have done what I'd expect them to have done once they were aware there was a problem with the car.*

*The CRA explains that where goods are found not to have conformed to the contract within the first six months, it is presumed the goods did not conform to the contract at the point of supply. Unless the supplier, Go Car Credit in this case, can prove otherwise. However, in Mrs D's case it was outside of the first six months when she first informed Go Car Credit of the faults with the car. So it was for Mrs D to provide enough information to prove the faults with the car had been present when she acquired it. Go Car Credit initially told Mrs D she hadn't provided enough evidence for them to determine when the faults occurred. Following that, Mrs D provided an independent inspection report to Go Car Credit, but they still said they didn't have a responsibility to help.*

*At the time Mrs D had the independent report completed, the car had covered approximately 96,000 miles – almost 18,000 miles had been covered by Mrs D in the time she'd had the car. The independent report concluded that, because a service hadn't been completed prior to Mrs D being supplied with the car, it was lacking durability at that time. But I don't find that statement persuasive, as it seems to imply that any car that has missed a service could be deemed to be lacking durability, and therefore be unsatisfactory when supplied. I don't think that can be a conclusion I can draw here.*

*I also have to consider if Mrs D did enough to mitigate any problems occurring with the car due to the service not being completed on time. I appreciate she got in touch with C a couple of days after taking delivery of the car as the service light was illuminated, and she's said she was told to ignore it. However, post-delivery the responsibility for the quality of the car is Go Car Credit's, and I haven't seen anything to suggest Mrs D got in touch with them and they gave her inaccurate information.*

*Mrs D was aware from the service book when the last service had been completed, and the manufacturer's handbook confirms the service intervals are once a year or when 20,000 miles have been completed – whichever happens the soonest. The service light along with the information in the service book should have prompted Mrs D to at least make further*

*enquiries – but it wasn't until February 2023 that she had the car serviced, having covered approximately 18,000 miles in the car during that time. I can't ignore the fact that the continued use of the car during that time could have contributed to the problems later found with the engine, leading to it being replaced.*

*As mentioned previously, the car Mrs D acquired was five years old and had covered approximately 77,600 miles when it was supplied to her. It's fair to say the car was far from new. This means that the standard a reasonable person might expect from it would be lower than for a car that had covered fewer miles. Acquiring a used car carries some inherent risks, not least of which is that sooner or later items, or components of the car, will need repair or replacement.*

*Mrs D had the car for 11 months and the car had covered approximately 18,000 miles when the independent report was carried out. As previously stated, I'm satisfied that a reasonable person would expect to have to repair or replace some components on a used car sooner than they would on a newer one.*

*In Mrs D's case I'm not persuaded that the lack of a service in April 2022 can lead me to conclude that the car wasn't sufficiently durable at the time she acquired it. I'm not persuaded she would have had the use of the car that she had and covered the miles that she did in the car if the car wasn't durable. And I'm more satisfied than not that she could have taken action sooner once the service light was illuminated on the car's dashboard. With that in mind, I'm not planning to ask Go Car Credit to do anything more here.*

*I know Mrs D is also in arrears now with the repayments on the account, following the need to pay for the repairs to the car. I must make it clear here that I'm not considering this aspect within this decision, but I would expect Go Car Credit to treat Mrs D sympathetically if she's struggling to maintain her monthly repayments.*

*I know this decision is going to come as a disappointment to Mrs D. She has explained the impact this has had on her, and her ongoing health, and I empathise with that. But I can only ask Go Car Credit to pay for the engine replacement if I have evidence the problems were present at the point the car was supplied to Mrs D. And as I've explained above, I don't think the evidence in this case shows the car wasn't sufficiently durable, and therefore of unsatisfactory quality, when it was supplied to her.'*

Go Car Credit didn't respond. Mrs D did. She said the service engine light was on when she viewed the car in the dealership. And she's said she was shown the service history on a computer at this time, but it only showed the last recorded mileage.

### **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 see no reason to depart from the findings of my provisional decision.

Mrs D initially told our service that the service engine light came on a couple of days after taking delivery of the car but has now said it was on when the car was viewed. She's also said she brought this to Go Car Credit's attention at this time. I haven't seen any evidence of this, either from Mrs D or from Go Car Credit. However, I'm not persuaded that when the service light became illuminated is a reason to determine the car wasn't of satisfactory quality. And, as I explained in my provisional decision, I'm satisfied Mrs D was given the accurate service information when she was provided with the car. She has signed the sales invoice, which included the information below:

**Conditions of Sale**

V5	Yes
Stereo/Front	No
Mileage	77612 Verified
Spare Key	Yes
Service	Service Book
History	4 Services, Last serviced at 69899

She also signed the sales order for the car, which contained the same information:

Conditions of Sale	
V5	Yes
Sat Nav CD/SD Card	No
Mileage	77612
Spare Key	Yes
Service History	Service Book
	4 Services, Last serviced at 69899
MOT Expiry Date	17-Jan-2023

Both of these documents confirm the current mileage of the car, how many services the car has had, and the last recorded mileage of the car at its last service. And this information correlates with the service book Mrs D was provided with at the time. My provisional decision explains in detail why I'm satisfied Mrs D wasn't misled or was given any misleading information about the service history of the car. I see no reason to expand on that reasoning in this final decision.

My provisional decision also explains why I don't think the independent report provided by Mrs D is enough to show the car wasn't of satisfactory quality when it was supplied. I've explained why I don't think the missing service in April 2022 can lead me to conclude the car was of unsatisfactory quality when it was supplied to her. Mrs D hasn't provided any additional evidence in this regard, so I won't be commenting any further on this aspect.

Finally, Mrs D has said my provisional decision explained that Go Car Credit had treated her sympathetically throughout the process, and she has said that wasn't the case. I'd like to point out that I haven't said Go Car Credit had treated Mrs D sympathetically throughout the process – I made no comment on that – but I have said I would expect them to treat her sympathetically if she is now struggling to make her monthly repayments and catch up with any arrears she has.

I know Mrs D feels strongly about this, and believes the car wasn't of satisfactory quality when it was supplied to her. But, as I explained in my provisional decision, I'm not persuaded the evidence in this case brings me to the same conclusion. For that reason, I won't be asking Go Car Credit to do anything more here.

**My final decision**

For the reasons above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs D to accept or reject my decision before 5 February 2025.

Kevin Parmenter  
**Ombudsman**