

The complaint

Mr M complains that a car acquired under a hire purchase agreement with Secure Trust Bank Plc trading as V12 Vehicle Finance ("V12") wasn't of satisfactory quality when it was supplied to him.

What happened

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

In October 2023, Mr M acquired a used car from a dealership (J), although he wasn't supplied with the car until early November 2023. The purchase price of the car was provided by V12 under a hire purchase agreement. The car was nine years old and had covered approximately 66,200 when the agreement started. The cash price of the car was £7,920.

In early March 2024 Mr M got in touch with V12 to explain he had some problems with the car. He said he'd tried to speak to J about them, but hadn't had a response, so was bringing them to V12's attention. Mr M said he was experiencing problems with the gearbox and had only been driving the car for three weeks. It had been parked up since the agreement started.

V12 acknowledged Mr M's concerns and tried to get in touch with him on a couple of occasions by phone and by email. They wanted to arrange an independent inspection of the car so it could be determined if the faults were present when the car was supplied to Mr M. Mr M didn't reply to V12 but sent in confirmation that he'd arranged for the car to be repaired. Because of this V12 closed his complaint and said they were unable to determine when the faults had occurred.

Mr M brought his complaint to our service. A couple of investigators reviewed it and neither upheld it. They said it wasn't possible for V12 to determine when the faults with the car had occurred, or if they'd been present at the point of supply, due to Mr M having the car repaired. As such, they said there was nothing further for V12 to do.

Mr M didn't agree and felt V12 should reimburse him for the repair costs.

As Mr M didn't agree, it's been passed to me to decide.

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.

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.

As the hire purchase agreement entered by Mr M is a regulated consumer credit agreement this service is able to consider complaints relating to it. V12 are 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 Mr M entered. Because V12 supplied the car under a hire purchase agreement, there's an implied term that it is of a satisfactory quality at the point of supply. Cars are of satisfactory quality if they are of a standard that 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 goods includes their general state and condition, and other things like their fitness for purpose, appearance and 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 Mr M's case, the car was used and had covered approximately 66,200 miles when he 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 investigators have explained that they think the car was of satisfactory quality when it was supplied to Mr M. Or rather, Mr M denied V12 the opportunity to determine when the faults with the car had occurred, and whether they had been present at the point of supply. I agree in this case. There is no doubt the car has faults – Mr M has supplied an invoice for some repairs he's had done. However, I'm not persuaded, from what I've seen, that the car can be considered as unsatisfactory quality when it was supplied to Mr M. I'll explain why.

Mr M brought the problems with the car to V12's attention in March 2024, which is within six months of being supplied with it. So, I need to consider if V12 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 of the point of supply. Unless the supplier, V12 in this case, can prove otherwise. In Mr M's case, I'm satisfied it was within six months when he first informed V12 of the faults with the car.

However, I'm also more satisfied than not that, at this point, V12 attempted to gather more information and evidence from Mr M to allow them to consider his complaint about the quality of the car. V12 acknowledged his complaint and attempted to speak to Mr M on the phone to explain the next steps for his complaint. Mr M didn't answer, so V12 sent him an email in early April 2024 to explain that they wanted to arrange for an independent inspection of the car to take place, so that it could be determined when the faults with the car occurred. They asked Mr M to provide his consent for his details to be passed across to the independent inspectors. Mr M didn't respond to that email, but he did send V12 a video showing the car in a garage of his choice having repairs done to it. V12 attempted to contact Mr M again in early May 2024 without success, so closed his complaint down.

Mr E has supplied the invoice and video from the garage that completed the repairs in April 2024. But none of those documents confirm the faults were present at the point the car was supplied to him, and Mr M didn't bring the appointment to repair the car to V12's attention, which would have enabled them to consider their next steps. V12 had already tried to explain to Mr M that they wanted to arrange for an independent inspection to take place to try and determine when any faults had occurred – and that is what I would expect V12 to try and arrange in circumstances like this.

Mr M had the repairs completed in April 2024. This was a month after V12 had acknowledged his concerns about the quality of the car and after a couple of attempts from V12 to speak to him, by phone and by email, to discuss the next steps. Whilst I understand why he went ahead with the repair – he was paying for the car and wanted to be mobile – he hasn't given V12 the opportunity to inspect the car, review any evidence that suggests the car wasn't satisfactory when it was supplied to him, or allow them to make a decision on the best way forward for them and for Mr M. And, by going ahead with the repairs, Mr M has now made it impossible for V12 to determine when the original faults may have occurred. In effect, the burden of proof as to who is responsible for the problems with the car, and who should be liable for the repairs (or other action) has been taken away. As such, I don't have evidence to confirm the car wasn't satisfactory when it was supplied to Mr M.

I can only ask V12 to pay for the repairs if I have evidence the problems were present at the point the car was supplied to Mr M. And, whilst there is no doubt the car has suffered problems in the time Mr M has had it, there isn't anything provided to suggest the faults with the car were present when Mr M acquired the car.

I know this decision will come as a disappointment to Mr M, and he has a car that he's had to pay a significant amount to repair, but I just don't have enough evidence to be able to say I'm satisfied the car was of unsatisfactory quality when it was supplied to him. And by having the repairs completed, I'm more satisfied than not that Mr M has taken the opportunity to determine liability away from V12.

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 Mr M to accept or reject my decision before 22 May 2025.

Kevin Parmenter
Ombudsman