

The complaint

Mr N is unhappy with the quality of a car supplied by Oodle Financial Services Limited using a hire purchase agreement.

What happened

In April 2024 Mr N entered into a hire purchase agreement with Oodle for a used car. The car was around seven years old and an MOT from April 2024 shows the car had been driven for around 99,450 miles. The cash price was £9,450.

Mr N initially reported problems with vibrations coming from the vehicle before collection. The dealership investigated his concern and said that the judder was because the car had been stationary for two weeks. They said no issues with the breaks were found, and there were no advisories on the MOT which was carried out on the car immediately prior to the sale.

Mr N collected the car at the beginning of April. At the end of the month, the car was taken back to the dealership and the master and slave cylinder were replaced after Mr N experienced issues with them.

In May, Mr N reported continued vibration and noise to the dealership.

Concerned, Mr N took the car to a specialist garage. In June they replaced the brake discs and pads for each wheel, they also replaced a wheel bearing on the side front wheel.

As a result of Mr N's concerns, the dealer also arranged for an independent inspection in July. This inspection found no fault with the clutch. The mileage at this time was 100,593 miles.

Another garage also looked at the car in August 2024 who identified a vibration coming from the rear. They also found something wrong with the prop shaft.

Mr N collected the car but noticed that the vibration still continued intermittently. Unhappy that the issue still wasn't resolved, Mr N contacted Oodle who arranged another independent inspection. This inspection identified problems with the clutch and a vibration occurring from the car. The report also stated that the problems were likely present at the point of sale. The mileage recorded at the time was 101,113 miles.

The car was returned to the dealership who arranged for an independent garage to repair the clutch and a new slave cylinder was fitted. The engineer confirmed they could find no issues with the car.

After this repair, in September, Mr N said the issues with the car vibrating were still present and was told the new clutch was 'bedding in.'

In October, Mr N took the car to another garage and they investigated the vibrations. The investigations indicated that the clutch master cylinder needed to be replaced. They also

found that the clutch pedal was not smooth when depressed. They found the clutch master cylinder was covered in residue fluid and the white clip for the pedal was broken. They also said the rear axle prop shaft damper was worn and required replacement.

Unhappy with the quality of the car, and that he wasn't able to reject it, Mr N brought his complaint to our service.

One of our investigators looked into things and said she didn't think the car was of satisfactory quality. She said that Mr N should be allowed to reject it and asked Oodle to unwind the agreement so he had nothing further to pay. She also said they should reimburse Mr N costs for any independent reports and repairs he paid for and refund the deposit he paid. She also asked them to refund 10% of his finance payments from inception to July 2024 and reimburse all monthly payments from August 2024 to settlement of the complaint. She said 8% interest should be added to any refunded amounts. And she said Oodle should pay Mr N £250 for the distress and inconvenience he has experienced.

I was minded to reach a slightly different outcome to our investigator. So, I issued a provisional decision, to give both parties an opportunity to comment on my initial findings before I reached my final decision.

What I provisionally decided – and why

I previously issued a provisional decision on this complaint as my findings were different from that of our investigator. In my provisional decision, I said:

Mr N acquired his car using a hire purchase agreement and so The Consumer Rights Act 2015 is the relevant legislation for this complaint. The Act sets out expectations and requirements around the quality of goods supplied. In summary, goods should be of satisfactory quality. Satisfactory quality is essentially based upon what a reasonable person would consider to be satisfactory. In instances like this when considering the quality of a car, the age, mileage and price are some of the things that I think would be considered to be reasonable to take into account.

If the purchased goods are found to be defective after 30 days because of an issue at the point of supply, then the supplier must be given one opportunity to repair or replace the goods.

Since Mr N acquired the car, he has reported issues with it multiple times and it has been seen by a number of garages. Some of these garages and inspections didn't find any issues but I've also noted that some have. I also think Mr N has been consistent in reporting issues with the car to both the dealership and Oodle.

In particular, I've looked at the inspection and reports from August 2024 which state there are issues with the clutch and that there is a vibration. There is also a report from October 2024, after the dealership had a chance to repair the car, that shows there is still a vibration present.

The dealership has said they believe the faults with the car are because of the way Mr N drives it. I've considered that the latest report in October shows the mileage to be 101,350 miles. And so, Mr N has only driven 1,900 miles in the seven months he has had the car. On balance, I wouldn't expect any issues to emerge in relation to how the car is driven considering it hasn't been driven significantly during this time.

While I can appreciate the dealership's position that they can't find a fault with the car, I'm more persuaded by the reports which show there is an issue with it. I say this because there

have been several independent engineers which have confirmed a fault is present and I think Mr N has been consistent in reporting problems.

The independent inspection report arranged by the finance provider in August confirmed that there was vibrations and issues with the clutch. And I've noted that the dealership has had the opportunity to inspect, and repair the car after this report.

There is now a report from October which shows this issue still exists. And, bearing in mind the car has not travelled a lot of miles since it was acquired and that Mr N consistently reported problems soon after getting it, I don't think the car was of satisfactory quality when it was supplied. As the dealership has had a chance to repair the issues, this means I think Mr N should be able to reject it under the CRA.

In rejecting the car, Oodle should unwind the agreement, so Mr N has nothing further to pay and collect the car at no further cost to him. As part of this, they should remove any adverse information from the details held with credit reference agencies.

Mr N's car has been in garages for repairs and inspections multiple times, and he was without a car during these times too. He also significantly reduced his usage due to his concerns over safety. This is evidenced by the lack of miles the car had been driven since he acquired it to the report in October 2024.

I don't think it's unreasonable that Mr N made the decision to limit his usage bearing in mind he had concerns over the clutch and the vibrations the car was making. I say this especially as in August, two separate reports confirmed there were problems with the car.

And so, Oodle should refund the payments made from August 2024 to account for the time Mr N was unable to have full use of his car. They should also refund the £1,000 deposit Mr N paid.

Mr N has also paid for two reports on the car in September and October 2024 which were £48 each. He also had repairs carried out to the brake discs, pads for each wheel and wheel bearing in June 2024. The cost of this totalled £978.49.

I consider all these costs a direct loss of the car not being of satisfactory quality. This is because they were carried out as a result of investigating the problems Mr N was having. While I acknowledge some of these replacements would be considered serviceable items, I've considered that they were replaced relatively soon after Mr N acquired the car. I've also noted that as the car isn't of satisfactory quality and should be rejected, Mr N will not have benefit from the replacement parts. So, Oodle should reimburse Mr N for these.

Oodle should pay 8% simple interest on these amounts from the date Mr N paid them to the settlement of this complaint. This is because Mr N has been without use of these funds.

I also think Oodle should pay Mr B £350 for the distress and inconvenience he has experienced as a result of the faulty car. I say this because Mr N has had the inconvenience and stress of having to take his car for numerous repairs and inspections. I can understand why Mr N would've found all that has happened frustrating. He has explained that he limited use of his car because of concerns over safety too which would've been inconvenient for him. He has also explained that from November 2024 he required a car as part of his job. Because he no longer felt comfortable using the car, he also had to purchase another one and so had to pay for two vehicles. I understand this has caused him additional financial strain. So, I think £350 acknowledges the distress and inconvenience he has experienced.

Mr N accepted my provisional decision.

Oodle replied and said they didn't agree because:

- They didn't feel the decision took into account all the independent reports which were carried out.
- They said that the brake repairs carried out by the consumer had no connection to the vibration issue.
- They didn't think that it was fair that finance payments since August have been refunded as Mr N had use of the car.
- They also felt that any damage or wear to the vehicle should be taken into consideration on its return.

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've considered the further arguments put forward by Oodle. I would like to reassure them that in reaching my decision, I took into account all reports which were provided to me. I can also appreciate their frustrations, but I feel my provisional decision already explained and provided reasons about most of the further points they added, so I won't repeat them here.

In regard to any damage caused by wear and tear, the car is yet to be handed back, and so I can't make a finding on this. Upon collection, Oodle is likely to carry out an inspection of the car, and they may make deductions for fair wear and tear at this point. If Mr N disputes the amount deducted, he will be able to make a further complaint about this.

As Mr N accepted my decision, and the comments received by Oodle don't change my opinion on the case, I see no reason to depart from the conclusions I reached in my provisional decision.

Putting things right

My final decision is that I uphold this complaint and ask Oodle Financial Services Limited to:

1. Unwind the agreement so Mr N has nothing further to pay;
2. Collect the car at no extra cost to Mr N;
3. Refund Mr N his deposit amount of £1,000;
4. Refund Mr N the monthly finance repayments he made from August 2024;
5. Reimburse Mr N the £96 in total he paid for the reports;
6. Reimburse Mr N the £978.49 he paid for repairs to the car;
7. Add interest at a rate of 8% a year simple to parts three to six of this settlement from the dates they were paid, to the date of settlement of this complaint.*
8. Pay Mr N £350 for the distress and inconvenience he has experienced; and
9. Remove any adverse information which has been recorded with the credit reference

agencies

*Oodle must pay these amounts within 28 days of the date on which we tell them Mr N accepts my final decision.

If Oodle deducts tax from any interest they pay to Mr N, they should provide Mr N with a tax deduction certificate if he asks for one, so he can reclaim the tax from the tax authorities if appropriate.

My final decision

My final decision is that I uphold this complaint and ask Oodle Financial Services Limited to put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 18 September 2025.

Ami Bains
Ombudsman