

## **The complaint**

Miss N is unhappy that a car supplied to her under a hire purchase agreement with Oodle Financial Services Limited (Oodle) was of an unsatisfactory quality.

## **What happened**

In February 2023 Miss N was supplied with a used car through a hire purchase agreement with Oodle. She paid an advance payment of £1,500 and the agreement was for £20,227 over 60 months; with 58 monthly payments of £335.45, and two monthly payments (the first and the final payments) of £385.45. At the time of supply, the car was around seven years old, and had done 51,498 miles.

Miss N said she had issues with the car since she got it. She said the car struggled to start, and stopped and started when she was stationary in traffic. She initially put this down to her driving style, or a characteristic of the car, as she wasn't familiar with this type of car. She also said that on occasions the engine management light came on, and the car slowed down. She described this as happening when she was travelling at 70mph on the motorway.

In February 2024 she took the car to a main dealer for repair. After Oodle intervened, the repairs were covered by the warranty that was provided with the car. But she had the same issues one month after the repair.

A diagnostic inspection was done by an independent engineer. The report confirmed the car struggled to start. It reported the faults were due to defects with the injectors. So the car was taken back to the main dealer, who, after further inspection, advised the replacement of the high-pressure fuel pump, associated parts, including the injectors – at an estimated cost of around £7,000.

A further independent report was carried out in August 2024 by the same engineer who produced the first independent report. This diagnostic report reported the starting issues as significant, and said they made the car unroadworthy. It said that it was unable to confirm the root cause of the failure, and that this would take significant time and expense to fully identify. The report concluded that the car was defective, and the faults identified were consistent with what Miss N had stated since she acquired the car. It also concluded that the carbon build up was not the cause of the faults and had probably masked the primary fault.

Miss N said she had been unable to use the car since June 2024. She said she felt unsafe in the car, and wanted to reject it as it was affecting her mental health.

Our investigator sent the August 2024 diagnostic report to Oodle. They replied, stating they accepted liability, and advised they were discussing this with the supplying dealer.

When no update was received from Oodle, our investigator reviewed Miss N's complaint. She said that she'd seen enough information to persuade her that, on the balance of probabilities, the car was not of a satisfactory quality when supplied to Miss N. She said that the car wasn't reasonably durable, and that Miss N should be allowed to reject the car.

Oodle then issued a final response letter to Miss N. They did not uphold her complaint. They said the evidence Miss N provided did not conclusively confirm that the faults were present at the time of sale.

Oodle told our investigator they now believed that misfuelling was the most likely cause of the fault. This was based on their further review of evidence provided, as the main dealer had said that there was a “*potential for vehicle to have been misfuelled at some point*”.

Because Oodle didn’t agree, this matter has been passed to me to make a final decision.

### **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’ve reached the same overall conclusions as the investigator, and for broadly the same reasons. If I haven’t commented on any specific point, it’s because I don’t believe it’s affected what I think is the right outcome. Where evidence has been incomplete or contradictory, I’ve reached my view on the balance of probabilities – what I think is most likely to have happened given the available evidence and wider circumstances.

In considering this complaint I’ve had regard to the relevant law and regulations; any regulator’s rules, guidance and standards, codes of practice, and (if appropriate) what I consider was good industry practice at the time. Miss N was supplied with a car under a hire purchase agreement. This is a regulated consumer credit agreement which means we are able to investigate complaints about it.

The Consumer Rights Act 2015 (CRA) covers agreements such as the one Miss N entered into. Under this agreement, there is an implied term that the goods supplied will be of satisfactory quality. The CRA says that goods will be considered of satisfactory quality where they meet the standard that a reasonable person would consider satisfactory – taking into account the description of the goods, the price paid, and other relevant circumstances. I think in this case those relevant circumstances include, but are not limited to, the age and mileage of the car and the cash price. The CRA says the quality of the goods includes their general state and condition, as well as other things like their fitness for purpose, and durability.

So, if I thought the car was faulty when Miss N took possession of it, or that the car wasn’t sufficiently durable, and this made the car not of a satisfactory quality, it’d be fair and reasonable to ask Oodle to put this right.

### **Was the car faulty?**

Miss N said the car had issues from the day it was supplied to her. She had been able to drive it, averaging 1,000 miles a month. But she consistently reported that the faults occurred mainly when the car was stationary. So, based on her testimony, I’m satisfied that the faults were more likely than not present or developing when Oodle supplied the car to Miss N.

This is supported by the report from the independent engineer. He said that the faults were consistent with those that Miss N had stated were present at the time she got the car. He reported that the starting issues were “*significant*”, and the car was “*defective*” and “*unroadworthy*”.

I'm persuaded by the report that the car was not of a satisfactory quality. The engineer confirmed the presence of the faults, that these were consistent with what Miss N had described from the start, and that these made the car unroadworthy. It is unfortunate that he was not able to identify the root cause of the faults, saying this would take considerable time and expense. He also said that the earlier identification of the carbon issues, also likely present when the car was supplied, had masked the cause of the faults. But he was clear that the faults identified made the car unroadworthy.

The engineer also confirmed his duty was to the courts, not to the person who instructed or paid for the report. As such, I'm satisfied this report is reasonable to rely upon.

Oodle said that it was just as likely that misfuelling could have been the cause. There was no evidence of this – they said this based on a line from the main dealer that said there was a potential for this. I am more persuaded by the independent engineer's report. He has considered all the evidence, including discussions with the main dealer engineers, and reached his conclusion based on all the evidence.

The car is around eight years old and has done less than 70,000 miles – I don't think it's reasonable that a car of this age and miles would be undrivable, and for the reasons I've explained, I'm satisfied the car is not durable. That means it's not of satisfactory quality, and Oodle need to do something to put it right.

### **Putting things right**

The car is undrivable, despite an earlier attempt at repair. This repair was arranged by Miss N, not Oodle. But I'm satisfied it's likely that the outcome would have been the same if Oodle had arranged the repair. That's because the repair was done by a main dealer, and Oodle would likely have arranged a repair with a similar garage. The repair was also agreed by Oodle, who arranged for the warranty to cover the cost of the repair.

The CRA is clear that, if the single chance at repair fails, as was the case here, then the customer has the right of rejection. So I'm satisfied that Miss N is entitled to reject the car.

### **Monthly payments**

Miss N was able to use the car up to 21 June 2024. Because of this, I think it's only fair that she pays for this usage. So, I won't be asking Oodle to refund any of the payments she made up to June 2024.

The car was off the road and undrivable from 21 June 2024, and Miss N wasn't supplied with a courtesy car. As such, she was paying for goods she was unable to use. As, for the reasons already stated, I'm satisfied the car was off the road due to it being of an unsatisfactory quality when it was supplied, and as Oodle failed to keep her mobile, I'm satisfied they should refund the payments she made since 21 June 2024.

### **Refunds due**

The car has been undriveable since 21 June 2024 and Miss N wasn't supplied with a courtesy car. She used the car for her commute to work. So in this case it was reasonable that she hired a car when the car supplied by Oodle was undriveable. I'm satisfied they should pay for the hire car costs before 21 June 2024. I'm not asking them to refund hire car costs after this date because I've asked them to refund all monthly payments after this date.

Miss N has provided information about the following bookings (the dates are the date of bookings, not rental date):

- 5 February 2024 - £67.97
- 5 June 2024 hire for two days - £121.69
- 11 June 2024 hire for one day - £79.72
- 14 June 2024 hire for two days - £69.80
- 14 June 2024 hire for one day - £79.72
- 18 June 2024 hire for five days - £219.77

#### Other costs

Miss N has incurred other costs relating to the unsatisfactory quality of the car. These should also be refunded. They are:

- Diagnostic 29 May 2024: £72
- Main dealer inspection 21 June 2024: £691.61
- Independent inspection report 8 August 2024: £225

#### Distress & Inconvenience

Miss N described the stress this situation had caused her. Being unable to travel to work had caused problems with her employer. She had to arrange inspections and call out the recovery service. She also had the worry about not knowing what was causing the faults, when it would occur, and further distress when the fault occurred on the motorway. She would not have to do some of these, had Oodle supplied her with a car that was of a satisfactory quality. So, I think Oodle should pay her £250 in compensation to reflect the distress and inconvenience caused.

Therefore, Oodle should:

- end the agreement with nothing more to pay;
- collect the car at no cost to Miss N (unless already done);
- remove any adverse entries relating to this agreement from Miss N's credit file;
- refund the £1,500 deposit Miss N paid (if any part of this deposit is made up of funds paid through a dealer contribution, Oodle is entitled to retain that proportion of the deposit);
- refund the monthly payments made from 21 June 2024 to the date of settlement;
- refund Miss N's hire car costs, and other incurred costs as described above;
- apply 8% simple yearly interest on all refunds described above, calculated from the date Miss N made the payment to the date of the refund<sup>†</sup>; and
- pay Miss N an additional £250 to compensate her for the distress and inconvenience caused by being supplied with a car that wasn't of a satisfactory quality.

<sup>†</sup>If Oodle considers that tax should be deducted from the interest element of my award, they should provide Miss N with a certificate showing how much they have taken off so she can reclaim that amount, if she is eligible to do so.

#### **My final decision**

For the reasons explained, I uphold Miss N's complaint about Oodle Financial Services Limited and they are to follow my directions above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss N to accept or reject my decision before 26 May 2025.

Gordon Ramsay  
**Ombudsman**