

The complaint

Mr G complains about the quality of a car Advantage Finance Ltd supplied to him under a hire purchase agreement.

What happened

The facts of this case are familiar to both sides, so I don't intend to repeat them again in detail here. Instead, I'll provide a summary.

Mr G entered into a hire purchase agreement with Advantage in April 2024 to purchase a car. The cash price of the car was £6,490. The total amount due under the agreement, including interest and charges, was £12,599.44 to be repaid through 58 monthly instalments of £210.16, followed by a final monthly instalment of £410.16.

In October 2024, Mr G contacted Advantage – as well as the selling dealership on the advice of Advantage – about a number of issues he was experiencing with the vehicle including issues with the shocks, an oil leak, a wiring fault and the rattling from the timing chain.

In doing so, Mr G provided an estimate for the repairs, which totalled £4,880.42.

It appears the selling dealership had ceased trading and, therefore, Mr G raised his concerns with the broker ('Business Z') who arranged for an independent inspection of the vehicle to be carried out.

The inspection was carried out on 20 November 2024 and a report was produced just over a week later. Upon receipt of the report, Business Z issued a final response in which it rejected Mr G's complaint.

Unhappy with this, Mr G referred his complaint to the Financial Ombudsman Service.

Upon receipt of our service's request for it's of the story, Advantage initially said it had not received a complaint from Mr G. It subsequently obtained the relevant information from Business Z – including its final response - and, as it appeared to agree with conclusions Business Z reached, submitted its file to our service.

One of our investigators looked into what had happened and, in January 2025, issued their findings. In short, our investigator said he thought, having considered all the information provided by both parties, that *the problems appear to be due to a reasonable level of wear and tear* and, with that being the case, he thought *the car was of satisfactory quality when it was supplied*.

Mr G did not agree with our investigator. As a result, the complaint has been passed to me to review afresh.

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.

However, whilst I've carefully thought about everything that has been said and provided by both parties, I won't comment on everything in my decision. This is not intended as a discourtesy to either party, but it reflects the informal nature of this service in resolving disputes.

The agreement in this case is a regulated consumer credit agreement. As such, this service is able to consider complaints relating to it. Advantage was also the supplier of the goods under this type of agreement, and responsible for a complaint about their quality.

The Consumer Rights Act 2015 is of particular relevance to this complaint. It says, amongst other things, that every contract to supply goods is to be treated as including a term that the quality of the goods is satisfactory.

The Consumer Rights Act 2015 says the quality of goods is satisfactory if they meet the standard that a reasonable person would consider satisfactory taking into account any description of the goods, the price and all the other relevant circumstances. So, it seems likely that in a case involving a car, the other relevant circumstances a court would take into account might include things like the age and mileage at the time of sale and the vehicle's history.

The Consumer Rights Act 2015 says the quality of the goods includes their general state and condition and other things like their fitness for purpose, appearance and finish, freedom from minor defects, safety, and durability can be aspects of the quality of goods.

Advantage did not supply Mr G with a new car here. The car was around ten years old and had travelled over 112,000 miles at the point of supply. And while it was not an inexpensive car – the price was a good deal less than it would have been new.

So, I think it is fair to say that a reasonable person would expect that it would not necessarily perform as well as a new car. And there would be a high risk – if not an inevitability - of wear and repairs arising from previous use and maintenance by former users. In other words, there's a greater risk this car might need repair and/or maintenance sooner than a car which wasn't as road-worn.

Mr G says he initially noticed an oil leak - and the presence of the oil warning light - within two weeks of purchasing the vehicle. Mr G says he had to refill it twice and, upon the same issue occurring a second time, he took it into the garage. I presume this is when the estimate for repairs was produced.

In November 2023, the independent inspection was carried out. Between taking ownership of the vehicle and the inspection date, it appears the vehicle had travelled an additional 11,945 miles.

I note there appears to be discrepancy with regards to the mileage, as an MOT carried out in January 2024 records the mileage as 112,255, whereas the mileage at the point of purchase three months later was recorded as 112,113. However, I don't think I need to seek further clarity on this point to reach a fair and reasonable answer in this case. I say this because the additional mileage does not seem to be in dispute. So, even if the mileage at the point of sale was recorded incorrectly (in which case I think it was not likely to be too far removed from the mileage at the time of the MOT), it seems likely that the car travelled an additional c11,945 miles since Mr G took ownership of it. And, if it was less than this, it is likely to only be marginally so. Therefore, despite the slight discrepancy in the recorded mileage, I'm

satisfied that the vehicle had travelled a reasonably significant number of miles between Mr G taking ownership of it and the inspection date.

The Consumer Rights Act 2015 says goods must conform to contract within the first six months. So, where a fault is identified within the first six months, it's assumed the fault was present when the car was supplied, unless Advantage can show otherwise.

I don't think there's any dispute that Mr G has experienced problems with the car - that has been well evidenced by both his testimony and the information he's sent us, including the estimate of repairs and video evidence from the garage. Indeed, the report produced by the independent inspection identified a number of issues with the vehicle. As the findings of the report are familiar to both sides, I won't repeat them in detail here. But the report found, amongst other things, a number of fault codes during a diagnostic test, an oil leak and issues with the nearside and offside front shock absorbers.

But the simple existence of faults in itself isn't enough to hold Advantage responsible for repairing the car or accepting its rejection. The legislation says that this will only be the case if the fault was present or developing at the point of supply.

The third party instructed by Business Z to carry out an independent inspection of Mr G's car is a recognised and trusted expert in this arena. From reading its report, it's clear that it was provided with an accurate background that clearly set out the issues. The report appears credible to me and is sufficiently detailed. Further, it includes a statement of truth to the court – so I have given it appropriate weight here.

The report concludes that *At this stage, with the current evidence available to ourselves at the time of inspection, with the elapsed time from purchase to failure it is considered the faults would not have been present at the time of sale.*

With this in mind, it is difficult for me to make a finding that the car is not of satisfactory quality in light of said report which finds otherwise. I think this report is persuasive in showing the vehicle was not of unsatisfactory quality at the point of supply.

What's more, the passage of time and additional mileage since taking ownership introduces more variables and difficulty in concluding the car was not of satisfactory quality at the time of supply, as opposed to cause being components reaching the end of their serviceable life and/or wear and tear. This, twinned with the age and significant mileage of the car at the point of sale, as well as the findings of the independent inspection - and in the absence of any other persuasive evidence to the contrary – means I'm not persuaded that Mr G's car was of unsatisfactory quality when supplied. So, I can't hold Advantage responsible for the problems Mr G has experienced with it.

Although the evidence points to the issues with the vehicle not being present at the point of sale I have also thought about durability – which is a factor when considering satisfactory quality under the Consumer Rights Act 2015.

However, here I turn again to the findings of the independent report which says *Would you consider the issues under review to be the result of durability issues? No.*

When buying a second-hand car with significant mileage it is reasonably expected that there is a risk some components might need replacing sooner than on a newer less road worn car. And unless the dealer specifically sold the car as having certain components replaced for new ones – which the available evidence doesn't point towards - I don't think there is a breach of contract in this regard.

Finally, I am sorry to hear about the upset and stress this matter has caused Mr G, as well as the financial impact it has had. I sympathise with Mr G and I know that he is likely to be disappointed by my decision. However, my role here is to resolve disputes informally and in a way that I think is fair and reasonable based on the circumstances. And, based on the evidence I've seen, I don't think the evidence I have seen shows that there was an inherent problem with the car that was present or developing when it was supplied.

Mr G does not have to accept my findings and if he wishes he can pursue his dispute through more formal avenues such as court (seeking appropriate legal advice as he sees fit).

My final decision

My final decision is that I do not uphold his complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 6 June 2025.

Ross Phillips
Ombudsman