

The complaint

Mr P complains about the quality of a car supplied to him by Specialist Motor Finance Limited ("SMF")

What happened

I sent Mr P and SMF my provisional findings on this complaint on 30 January 2025. A copy of that decision is attached and forms part of this final decision.

I explained why I wasn't planning to uphold Mr P's complaint and asked both parties to let me know if they had anything to add.

SMF didn't respond.

Mr P disagreed. He said he had spent a lot of money on the car for it to pass its MOT. He said the car still had the same problems that needed fixing. He said he didn't use the car for a few months, so he spent £1,000 on his other car to pass the MOT. He said the supplying dealer refused to pay for repairs, despite him being charged £500 for a warranty, so he ended up paying himself. He said he had evidence from his credit card to show he had paid for parts and some invoices that could be provided on demand. He also said he hadn't received the money he had paid for the wiper blades and the diagnosis of faults.

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 carefully considered the additional comments made by Mr P in response to the provisional decision.

I note this service requested that Mr P provide a copy of invoices for all repair and diagnostic work carried out on the car to allow him to support his complaint in March 2023, on three occasions. However, Mr P didn't provide that information. In response to the provisional decision, Mr P has said he has information, but hasn't provided it.

In any event, the information Mr P seems to be referring to appears to relate to the car passing an MOT in December 2024. I can see the car initially failed an MOT in December 2024 due to two tyres and two track rod ends having excessive play. However, these issues don't appear to relate to the EML or the gearbox errors that appeared. If Mr P has new information he'd like considering, he will need to refer this to SMF in the first instance. If Mr P is unhappy with SMF's response after it has considered this information, subject to jurisdiction considerations, he may wish to refer a complaint to this service.

In relation to Mr P saying he hasn't received any funds from SMF for the cost of the wiper blades or the cost of obtaining a diagnosis, SMF said it would pay for the cost of these upon Mr P providing it with receipts to show the cost. Mr P will need to contact SMF directly to provide these receipts.

Mr P has also referred to purchasing a warranty but said the warranty didn't cover his costs. I can see that a warranty was purchased in December 2023 for £445.45. However, this doesn't appear to be financed as part of the hire purchase agreement Mr P entered into. It is a separate agreement between Mr P and the warranty provider. If Mr P is unhappy with the

outcome of his warranty claim, he will need to refer to the warranty provider in the first instance.

Having carefully considered all of the information provided to me, I'm not persuaded to depart from my provisional decision. It follows that I'm not persuaded that SMF supplied a car to Mr P that was of unsatisfactory quality and I don't require SMF to take any further action.

My final decision

My final decision is that I do not uphold Mr P's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 17 March 2025.

Provisional decision

I've considered the relevant information about this complaint.

Having done so, I've provisionally decided that I'm not intending to reach the same outcome as our investigator.

The deadline for both parties to provide any further comments or evidence for me to consider is 13 February 2025. Unless the information changes my mind, my final decision is likely to be along the following lines.

If I don't hear from Mr P, or if he tells me he accepts my provisional decision, I may arrange for the complaint to be closed as resolved without a final decision.

The complaint

Mr P complains about the quality of a car supplied to him by Specialist Motor Finance Limited ("SMF")

What happened

Mr P acquired a car under a 60 month hire purchase agreement with SMF in December 2023. The car cost around £15,244. Mr P paid a deposit payment of around £1,300. Under the agreement, Mr P was required to make 59 payments of £376.43, followed by a final payment of £386.43, which included a £10 option to purchase fee, if he wanted to keep the car. At the time of supply, the car was around seven years old and the mileage was around 79,500. The car was supplied by a dealership I'll refer to as "D".

Mr P said he looked at pictures of the car before going to D and when he saw the car he was unhappy. He said he agreed to take the car as it would have wasted his 200-mile journey. Mr P said the bumper was broken, there was a noise coming from the engine, he was handed one key and another key was handed to him which was falling apart and required a battery. He said on his journey back, the wiper blades were damaged so they weren't clearing the windscreen properly and the engine management light ("EML") appeared. Mr P said he called D the same day. The following day a garage told him there was a gearbox fault, but this disappeared a couple of days later. Mr P said D told him to contact his warranty provider but instead he contacted B. He also said he took the car to a manufacturer garage and he paid £50 for a diagnostic which showed a gearbox fault. Mr P complained to SMF.

SMF issued its response to Mr P's complaint in February 2024. It said that the broker, who I'll refer to as "B", had said Mr P had raised concerns about the bonnet and bumper before he entered into the agreement and said Mr P asked for a reduction in price. However, D said

there had already been a reduction in the advertised price and so, no rectification was agreed. It said Mr P accepted the car in that condition. It also said Mr P contacted D to let it know there was a spare key but this didn't work. It said as D didn't advertise the car with a spare key, it wasn't obliged to provide a replacement battery. SMF said it was aware that Mr P had raised concerns about the wiper blades and although D said it would inspect the car, Mr P said he was able to replace the wiper blades for £7. It also said Mr P had told D that the gear selection didn't seem smooth and he was told to contact the warranty provider or return the car to D for an inspection. It also asked Mr P to provide a receipt for the wiper blades and diagnostic and that it would be happy to refund those costs.

Unhappy Mr P referred a complaint to this service. He disagreed that he should take the car back to D before the faults were diagnosed with the car, due to the cost and distance.

Our investigator looked into the complaint and said the car supplied to Mr P wasn't of satisfactory quality. She said Mr P had provided persuasive testimony and provided images of the EML and gearbox fault and she was persuaded these faults were developing at the point the car was supplied to Mr P. She said SMF had failed to show otherwise and she didn't think it was reasonable for Mr P to drive around 400 miles to and from D to have the car inspected. She said she thought it was unreasonable that Mr P was asked to pay for the diagnostic upfront. She said SMF should arrange repairs with the gearbox, the EML, missing locking wheel nut, vibrating radiator under the bonnet, alignment gap on rear driver side door and re-pressuring of the tyres.

Mr P didn't respond. SMF disagreed. It said it had never refused an independent inspection and it suggested Mr P arrange a report closer to him so it could identify the actual faults, confirm the cost of the repairs and arrange the repairs local to Mr P. It said Mr P hadn't contacted it or D.

Our investigator said that she had asked SMF whether it would be willing to arrange an independent report but SMF told her there was no requirement for this.

As SMF remains in disagreement, the case has been passed to me to decide.

What I've provisionally 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.

Where evidence is incomplete, inconsistent or contradictory, I reach my view on the balance of probabilities – in other words, what I consider most likely to have happened in light of the available evidence and wider circumstances.

I've read and considered the whole file and acknowledge that Mr P has raised a number of different complaint points. I've concentrated on what I think is relevant. If I don't comment on any specific point it's not because I've failed to take it on board and think about it – but because I don't think I need to comment on it in order to reach what I think is the right outcome. The rules of this service allow me to do this.

What I need to decide in this case is whether the car supplied to Mr P was of satisfactory quality. If I don't think it was, I'll need to think what's fair, if anything, to put things right.

The finance agreement in this case is a regulated hire purchase agreement. So our service is able to consider complaints relating to it. SMF is the supplier of the car under this type of agreement and so is responsible for dealing with a complaint about its quality.

The Consumer Rights Act 2015 ("CRA") covers hire purchase agreements. Under a hire purchase agreement, there are implied conditions that the goods supplied will be of satisfactory quality. The CRA says the aspects of the quality of the goods includes their general state and condition alongside other things such as their fitness for purpose, appearance and finish, freedom from minor defects, safety, and durability.

In this case Mr P complained there was an issue with the windscreen wiper blades not cleaning the screen properly and the EML appeared the same day he collected the car. Mr P also complained that he later found out there was a gearbox fault, vibration noise from the engine, alignment issue with the rear driver side door and one key wasn't working.

Mr P has provided pictures of the EML fault occurring on the dashboard of the car at 80,218 miles and the gearbox fault appearing at 80,012 miles. So I'm satisfied based on this information, that there were faults with the EML and the gearbox shortly after Mr P acquired the car.

I haven't been provided with any supporting information to show there is an issue with a noise coming from the engine, that one of the key's wasn't working or the alignment issue with the rear driver side door. As a result of this, I don't consider these components have faults and I won't consider these further. However, if Mr P can show the car has these faults, then I will review this provisional decision.

Mr P says he doesn't have receipts for the repair of the key or wiper blades repair as these were small costs. I note that Mr P says the wiper blades he bought at the time were cheap and he wanted these replaced. However, SMF have offered to pay for the cost of replacement wiper blades if Mr P can provide a receipt for them.

I've gone on to consider whether the faults with the EML and the gearbox make the car of unsatisfactory quality. Having done so, I'm not currently minded deciding that the car is of unsatisfactory quality. I'll explain why.

Mr P acquired a car that was used – so there would be different expectations compared to a new car. Having said that, the car's condition at the point of supply, should have met the standard a reasonable person would consider satisfactory, taking into account its age, mileage and price.

In this case, the car Mr P acquired was seven years old and had covered around 79,500 miles. This means the car would be more susceptible to wear and tear and some components may need changing sooner. I can see that the initial issues with the car occurred at around 500-700 miles after Mr P was supplied the car. Whilst I accept that there were faults with the car at the time it was supplied to Mr P, the supporting information provided doesn't confirm whether these faults make the car of unsatisfactory quality. Mr P says he had a diagnostic carried out for £50 which confirmed the car had a gearbox fault. However, despite this service requesting a copy of this diagnostic, this hasn't been provided by Mr P.

Furthermore, if Mr P had been unable to use the car from the point he reported the faults or shortly after, or there were significant issues which impaired him from using the car, I would likely agree that the car was likely of unsatisfactory quality when it was supplied to him. However, since then, a recent MOT completed on the car shows that the mileage of the car is 91,015 miles. This means that Mr P has been able to travel around 11,500 miles in the car since it was supplied to him. If there were faults with the gearbox or the EML that made the car of unsatisfactory quality, I wouldn't reasonably expect that Mr P would have been able to travel a further 11,500 miles in the car.

So having carefully considered everything, I'm not minded to direct SMF to take any further action, given that I'm not currently persuaded the car supplied to Mr P was of unsatisfactory quality.

My provisional decision

My provisional decision is that I do not intend to uphold Mr P's complaint.

Sonia Ahmed
Ombudsman