

The complaint

Mr K complains about the quality of a car he acquired under a hire purchase agreement with AutoMoney Limited (AML) and about certain other aspects relating to that agreement.

When I refer to what Mr K and/or AML said or did, it should also be taken to include things said or done on their behalf.

What happened

In June 2022, Mr K entered into a hire purchase agreement with AML to acquire a car first registered in September 2015. At the time of acquisition, the car had travelled around 70,371 miles as per the MOT from around the time. The cash price of the car was around £9,600. The total amount payable was approximately £13,396. The first instalment of around £325 included a documentation fee and was to be followed by 46 instalments of about £276. There was also an option to purchase fee that was payable at the same time as the final instalment, if Mr K chose to purchase the car, and the final payment was to be about £375.

In October 2022, the clutch failed in the car. It was either repaired or replaced by the supplying dealership, but in May 2023 it failed again. Mr K raised a satisfactory quality complaint with AML and later referred that complaint to our service. In July 2024 an ombudsman issued a final decision on that complaint.

Since then, Mr K said he was sold a car which cannot be maintained as parts are not available, and he said AML did not consider this when he entered into the finance agreement. So, he raised another complaint with AML. In summary, Mr K does not think that it is right for him to buy parts from abroad from an unauthorised reseller which third-party garages are refusing to fit and will not provide a guarantee or warranty for their work. Mr K said the clutch is an essential, maintainable item, and that this issue was known at the point of car acquisition. As such he is unhappy that he was given finance on a car that did not have the possibility to be maintained in a reasonable way. Also, Mr K has mentioned that he is unhappy as the car was of unsatisfactory quality due to the issues he experienced with the clutch.

He has also told us that AML should not have approved his finance agreement without verifying that the essential parts (such as the clutch) were readily available in the country. He feels that industry data and the global shortage of his car's clutch parts indicate that AML should have been aware of this risk. In summary, he feels that he has not been treated fairly as AML did not ensure that foreseeable risks were mitigated. He feels that AML failed in their regulatory obligations as a finance provider because the car he was supplied with can no longer be maintained throughout the agreement. Finally, Mr K questions how can he keep the car in good working order and condition, as per his contract with AML, when there are no parts available for the car.

In October 2024 AML wrote to Mr K and said that in the UK, there is no specific law that mandates how long a manufacturer must make car parts available after they stop selling a particular model. AML said the general expectation is that car manufacturers will provide spare parts for around 10 years after a model has been discontinued. They said this period

is based on common industry practice rather than a legal requirement, ensuring that customers can maintain their vehicles even after production has ceased. Additionally, under the Consumer Rights Act 2015 (CRA), manufacturers and suppliers have certain obligations related to the quality and availability of goods, including spare parts. AML also said, that if a manufacturer ceases to provide parts and this significantly affects the usability of a car within its expected lifespan, consumers might have recourse for compensation or remedies under the CRA. However, in Mr K's case, the website for his car model mentions that genuine parts and accessories are provided through a third-party company who are the official parts' supplier. This official parts' supplier works closely with the car's dealerships to ensure that Original Equipment Manufacturer (OEM) parts are available, and the website emphasizes the use of new, remanufactured, or reconditioned parts to fulfil warranty obligations, where applicable.

AML said they understand that parts availability may vary and that there are occasional instances where discontinued models face shortages of specific components, but after looking into purchasing a clutch kit for Mr K's car, they said, there was an official parts' supplier clutch kit available for sale online. They said the seller was reputable with a lot positive reviews and feedback. They said the parts were coming from outside UK but there was no obligation for any manufacturer to ensure parts are located in UK. Furthermore, shipping was free for this clutch kit in question, with a delivery period of about one week. So, AML did not think this was an unreasonable delay when sourcing a manufacturer's part. As such they said they are not upholding Mr K's complaint.

In that correspondence AML also explained that when it comes to Mr K's other complaint point relating to the warranty information for the previous parts, they said this was a complaint regarding the supplying dealer, so AML advised Mr K to raise a complaint with them directly.

Mr K remained unhappy, so he referred his complaint to the Financial Ombudsman Service (Financial Ombudsman).

Our investigator was of the opinion that Mr K's complaint should not be upheld because AML correctly highlighted its liability under the agreement in question by way of the CRA and felt that Mr K has not provided any persuasive evidence to show why the parts available for potential repairs, present or future, are not suitable. Regarding the issues Mr K had with the warranty, the investigator was of the opinion that this was not part of the finance agreement. As such, Mr K would need to contact the supplying dealership directly for information or repairs undertaken by the supplying dealer or under warranty.

Overall, the investigator felt that AML did not need to take any further action in relation to this complaint. They explained to Mr K that he did not think we should consider his complaint against AML about the satisfactory quality of the car, specifically the one referring to the clutch issues, because the Financial Ombudsman has already considered this aspect of Mr K's complaint.

Mr K disagreed with the investigator. So, the complaint has 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.

Failure/ satisfactory quality of the car due to the clutch issues

In October 2022, the clutch failed in the car. It was either repaired or replaced by the supplying dealership, but in May 2023 it failed again. Mr K raised a satisfactory quality complaint with AML and later referred that complaint to our service. In July 2024 an ombudsman issued a final decision on that complaint.

So first I've carefully considered whether we should look into Mr K's complaint about the failure/ satisfactory quality of the car due to the clutch issues.

In coming to my decision, I have to consider complaints in accordance with the Dispute Resolution Rules (DISP), which are set out in the Financial Conduct Authority's handbook – a copy of them is available online. DISP say that I can dismiss a complaint without considering the merits in certain circumstances. The grounds for dismissing a complaint are set out in DISP 3.3 titled "Dismissal without consideration of the merits and test cases".

One of the listed reasons an ombudsman may choose to dismiss a complaint without considering the merits is if they consider that dealing with such a type of complaint would "seriously impair the effective operation of the Financial Ombudsman Service." The DISP rules give an example of such a complaint as one "where the subject matter of the complaint has previously been considered or excluded under the Financial Ombudsman Service (unless material new evidence which the Ombudsman considers likely to affect the outcome has subsequently become available to the complainant)".

The subject matter of Mr K's present complaint is that the car he was provided with is of unsatisfactory quality. But this has been considered previously by the Financial Ombudsman, as Mr K referred his complaint to the Financial Ombudsman and on 19 July 2024 an outcome on the merits of that complaint were issued.

Also, I am satisfied that no material new evidence has come to light since the earlier outcome issued by the Financial Ombudsman on 19 July 2024, which I would consider likely to affect the outcome of Mr K's original complaint. So, I am satisfied that to revisit Mr K's complaint, without any material new evidence being provided, would seriously impair the effective operation of the Financial Ombudsman.

While I'm very sorry to hear about the issues Mr K is experiencing, I do not think we should consider his complaint against AML about the satisfactory quality of the car, the one surrounding the clutch failing in October 2022 and May 2023.

Parts not available and/or repairs not possible, plus issues with the warranty

Where evidence is unclear or in dispute, I reach my findings on the balance of probabilities – which is to say, what I consider most likely to have happened based on the evidence available and the surrounding circumstances.

In considering what is fair and reasonable, I need to take into account the relevant rules, guidance, good industry practice, the law and, where appropriate, what would be considered good industry practice at the relevant time. Mr K acquired the car under a hire purchase agreement, which is a regulated consumer credit agreement. Our service can look at these sorts of agreements. AML is the supplier of goods under this type of agreement and is responsible for dealing with complaints about their quality.

I have summarised this complaint very briefly, in less detail than has been provided, and largely in my own words. No discourtesy is intended by this. If there is something I have not mentioned, I have not ignored it. I have not commented on every individual detail. But I have focussed on those that are central to me reaching, what I think is, the right outcome. This reflects the informal nature of the Financial Ombudsman as a free alternative to the courts.

Also, I am only considering the aspects AML are responsible for, so I cannot look at certain actions and/or inactions of the dealership/broker which Mr K might be unhappy about. So, in this decision I only focused on the aspects I can look into. And, I am only looking at the events that have been raised by Mr K with AML, the ones they had an opportunity to address in their correspondence sent to him in October 2024.

Also, I cannot look at the issues relating to the warranty information he wanted the dealership to provide to him. This is an aspect for which Mr K will need to contact the supplying dealer or the warranty company directly. Also, I know that Mr K has a separate complaint with the Financial Ombudsman regarding the irresponsible/unaffordable lending so I will also not be commenting on any of the aspects of that case here.

Mr K said he is unable to maintain and repair the car he acquired under the finance agreement in question, and he feels that AML failed him in their regulatory obligations as a finance provider. In summary, he feels that way because, he said, the car he was supplied with can no longer be maintained throughout the agreement. He also questions how can he keep the car in good working order and condition, as per the requirement of his contract with AML, considering there are no parts available for the car. As such, I have taken what he has told our service and all the information he has provided into consideration. I have also considered what AML have said.

AML feels that the website for Mr K's car model mentions that genuine parts and accessories are provided through a third-party company who are the official parts' supplier. This official parts' supplier works closely with the car's dealerships to ensure that OEM parts are available, and the website emphasize the use of new, remanufactured, or reconditioned parts to fulfil warranty obligations, where applicable. And they have provided information where an official parts' supplier clutch kit is available.

I know Mr K does not think that it is right for him to buy parts from abroad from an unauthorised reseller, as he said that the third-party garages are refusing to fit the parts and will not provide a guarantee or warranty for their when installing them. As such, I am not disputing that it maybe more difficult to get certain parts or find a repair shop to perform the required repairs with increasing age of the car. However, considering the specific circumstances of this complaint and all the evidence available, I have not seen enough to be able to say that, most likely, there are no parts available or that the repairs are not possible.

Mr K has told us a lot about his personal circumstances and while I sympathise with him for the difficulties that he is experiencing, based on all the information available in this case, I do not think there is sufficient evidence to say that most likely AML should take any further action regarding this complaint.

My final decision

For the reasons given above I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 26 August 2025.

Mike Kozbial
Ombudsman