

The complaint

Mr H complains about the quality of a used car that was supplied through a hire purchase agreement with Go Car Credit Limited (GCC).

What happened

In May 2022, Mr H acquired a used car through a hire purchase agreement with GCC. The car was about ten years old and, had travelled around 95,290 miles. The cash price of the car was £5,816. Mr H made an advanced payment of £250, so the total amount financed on the agreement was £5,566 payable over 36 monthly repayments of £278.76.

Mr H complained that by September 2024 the car broke down with engine failure. Mr G said that despite providing an engineer's report on the car, GCC refused to repair or replace it.

Mr H said he's lost out financially as he's paid around £7,500 for a car that doesn't run. To resolve the issue, Mr H said he'd like a partial refund of what he's paid out.

In October 2024 GCC issued their final response to Mr H's complaint which they didn't uphold. In summary, it confirmed Mr H returned the car through a voluntary termination (VT) on 3 September 2024; however, that he did so because he believed it was faulty. It advised Mr H provided an inspection report advising of issues with two injectors and a breakdown report confirming the breakdown. However, the response concluded that there was no evidence that the issues were present or developing at the point of supply.

Unhappy with their decision, Mr H brought his complaint to our service for investigation.

One of our Investigator's recommended that Mr H's complaint should not be upheld. The Investigator concluded that it was likely the problems with the car was down to a reasonable level of wear and tear.

Mr H didn't accept the Investigator's assessment and said he believed the car was sold to him as a non-runner. However, as the Investigator's opinion remained unchanged, Mr H asked that his complaint be referred to an ombudsman for 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.

In considering what is fair and reasonable, I've thought about all the evidence and information provided afresh and the relevant law and regulations, regulators' rules, guidance and standards, codes of practice and (where appropriate) what I consider to have been good industry practice at the relevant time.

Mr H complains about a hire purchase agreement. Entering into consumer credit contracts like this is a regulated activity, so I'm satisfied we can consider Mr H's complaint about GCC.

GCC is also the supplier of the goods under this agreement, and is responsible for a complaint about their quality.

The Consumer Rights Act 2015 (CRA) is relevant in this case. It says that under a contract to supply goods, there is an implied term that “*the quality of the goods is satisfactory, fit for purpose and as described*”. To be considered as satisfactory, the CRA says the goods need to meet the standard that a reasonable person would consider satisfactory, considering any description of the goods, the price and all the other relevant circumstances. The CRA also explains the durability of goods is part of satisfactory quality.

So, it seems likely that in a case involving a car, the other relevant circumstances a court would consider might include things like the age and mileage at the time of sale and the vehicle's history.

My starting point is that GCC supplied Mr H with a used vehicle that had travelled 95,920 miles. With this in mind, I think it's fair to say that a reasonable person would expect the level of quality to be less than that of a brand-new car with lower mileage; and that there may be signs of wear and tear due to its usage which may impact its overall quality and reliability, so there'd be an increased likelihood of unforeseen problems surfacing sooner than in a new vehicle.

From the information provided I'm satisfied there was an issue with the car. This is evident through the breakdown report dated 1 September 2024 which confirmed the breakdown was due to the engine, and through a mechanic's report dated 6 September 2024 which advised injectors had failed due to snapped bolts. Having considered the car had a fault, I've considered whether it was of satisfactory quality at the time of supply.

Satisfactory quality

Mr H said that after the failure of the engine he VT'd his car because of it but received some advice that he may have been due a partial refund or a replacement vehicle. In an email to the Investigator dated 11 February 2025, Mr H said he was only able to drive the car approximately 27,000 miles before it ended up at a salvage yard.

I recognise Mr H's strength of feeling about the situation and acknowledge that in certain circumstances this would be an unreasonable expectation when a car is acquired; however, in the specific circumstances of Mr H's case I don't think GCC have acted unfairly.

The car was supplied to Mr H with a mileage of 95,920. I think a reasonable person would consider this mileage to be high. And as the car was around ten years old when Mr H acquired it, it's likely to have experienced a considerable amount of wear and tear up to that point.

Mr H provided the Investigator with a mechanics report in the form of a written statement on an invoice. The report confirmed the mileage was 122,715. This means Mr H travelled an additional 26,795 miles since he acquired the car.

The mechanics report and the breakdown report both confirm a failure of the engine. However, the mechanic's report gave a bit more detail advising it was due to two of the injectors which had failed. Neither report has confirmed whether the issue was down to an inherent fault or due to a component that was lacking in durability for example, so, I've seen no evidence that the issue with the car was as a result of anything other than in service wear and tear. Considering the age and mileage of the car when it failed, I don't think it's unreasonable to consider that wear and tear would be the reason for the engine's failure.

The CRA says that goods should be supplied in a condition that meets the standard of what a reasonable person would consider as satisfactory. Considering the car was supplied as a ten-year-old vehicle that had covered near 100,000 miles, and which had passed an MOT the month prior to supply; I think it's fair to conclude that the car was in a road worthy condition and was of satisfactory quality at that point.

As I've concluded that the car was of satisfactory quality at the point it was supplied, I don't require GCC to take any action in respect of this complaint.

My final decision

My final decision is that I don't uphold Mr H's complaint about Go Car Credit Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 29 August 2025.

Benjamin John
Ombudsman