

The complaint

Miss I complains about the satisfactory quality of a car supplied to her using a hire purchase agreement with Blue Motor Finance Ltd ("BMFL").

What happened

In October 2023, Miss I acquired a used car using a hire purchase agreement with BMFL. The sales invoice for the car recorded its cash price as £9,600 and its mileage as 95,941 at the point of supply, and it was over six and a half years old. The duration of the agreement was 48 months, an advance payment of £1,000 needed to be paid, and 47 regular monthly payments of £227.28 were required, followed by a final £228.28 payment, which included a £1 option to purchase fee.

A week or so before the car was acquired, the supplying dealership ("SD") took the acquired car for a major service at the manufacturer's dealership ("MD"). The mileage recorded on the service invoice was 95,929 miles. Among the service, several items were replaced, some of which were:

*"GASKET-OIL PLUG
FILTER ASSY-ENGINE O
FILTER-AIR CLEANER
FILTER ASSI-AIR"*

A vehicle health check was also completed where the report concluded the only items that required immediate attention to the car were three of its tyres.

Within a couple of months of the car being acquired, Miss I said she experienced issues with it which appeared intermittently. She said the engine shut off a few times, and when driving, the car jolted forward as though the clutch was slipping.

Miss I said she contacted SD and she said she was told to wait for the next service. A screen shot has also been provided of a text conversation between Miss I and SD from November 2023, where Miss I explained that the engine randomly turned off and she felt as though there may be something wrong with the car as it jolted sometimes. SD then replied and said to let the garage or mechanic know of the need to check the engine coils and spark plugs first.

On 11 January 2024, Miss I took the car to a manufacturer approved garage ("Garage A") for a diagnostic check to be completed on it. Miss I was invoiced £134.40 for the check. The mileage recorded on the receipt was 98,661 miles. Among other things, the invoice gave a brief description of the issues that were described with the car involving the stop/start issue and the car jolting at times. The invoice then gave a brief overview of its findings, which in summary said that no faults were logged when the car was decoded. It also said they were able to confirm the clutch judder when pulling away intermittently, which they thought was the cause for the jolting Miss I experienced. Garage A also said they couldn't recreate the stop/start issue.

In January 2024, Miss I complained to BMFL. In March 2024, BMFL gave Miss I their final response. They gave a summary of Miss I's interactions with SD and a summary of the various inspections and diagnostic reports that had been completed on the car from MD and Garage A. They said that SD explained to Miss I that the nature of stop/start engines meant that at times they were designed to shut off and it was a standard function and not indicative of a fault. They also said that the sensors and rear camera were fully operational at the point of supply.

BMFL went on to say that they booked an independent third-party inspection to help establish a fault and liability, as SD believed the service completed by MD and the report completed by Garage A concluded there wasn't a fault. At the time, BMFL didn't uphold Miss I's complaint, but said if the independent inspection came back with anything to the contrary of previous services and reports, then they would review the complaint again.

The independent inspection took place in late February 2024 and the report was completed in March 2024. The mileage was recorded as 100,077 miles at the beginning of the inspection. Among other things, the report said that they completed a test drive and the car drove as expected and there were no issues with the engine and transmission performance. It also said that while the car's ECU revealed no issues, they did notice a message on the drivers panel to indicate a fault with the parking sensor system. The engineer subsequently checked the rear parking sensors and found that all units were not functioning correctly, and the camera screen was found to be very grey and of poor quality. The engineer also noted that the battery was approaching the end of its in-service life which could have resulted in the stop/start system intermittently not functioning.

The engineer for the independent inspection concluded that as Miss I said the parking sensor issues were present at the point of supply, and he had no reason to doubt this, he thought the cost of repairs should fall on SD. It was also said that the battery should also be replaced which could be causing an issue with the stop/start system.

Unhappy with BMFL's response, Miss I referred her complaint to our service as she wished to reject the car.

Our service contacted Miss I and she provided a quote supplied by Garage A. The quote was dated 16 April 2024, and the price was £2,175.51. Among other things, the quote was for a replacement clutch.

In April 2024, our investigator upheld the complaint and in summary said it was fair for Miss I to be able to reject the car, to be reimbursed the amount she paid Garage A for a diagnostic report, and for BMFL to pay Miss I £100 for the distress and inconvenience caused. He explained that he thought there was a fault with the car, specifically regarding a clutch judder, which made the car of unsatisfactory quality. He went on to say that BMFL had over three months to look into repairs, and none had been completed. So, considering the delays and inconvenience repairs would cause, he thought it was fair for Miss I to reject the car.

BMFL responded and said they didn't agree with the investigator's outcome. In summary, they said they didn't believe either a clutch judder or the issue with the parking sensors meant the car was of unsatisfactory quality. They said that neither the service or vehicle health check report by MD; the diagnostic check by Garage A; or the independent inspection said the issues would render the car of unsatisfactory quality to mean it should be rejected. BMFL went on to say that they had offered repair to the parking sensors and the battery following the independent inspection, which they believed would be a fairer way to resolve things. They asked the investigator to reconsider his outcome.

Miss I explained she stopped using the car since April 2024 due to an engine management light (“EML”) appearing on the car’s dashboard and the jolting still occurring with the car.

In December 2024, Miss I confirmed to our investigator that she started to drive the car again but was reluctant to use it for work because of its issues.

As BMFL disagreed with the investigator’s findings, the complaint was passed to me to decide.

I issued a provisional decision on 10 February 2025 where I explained why I intended to uphold Miss I’s complaint. In that decision I said:

“Miss I complains about a car supplied to her under a hire purchase agreement. Entering into consumer credit contracts such as this is a regulated activity, so I’m satisfied I can consider Miss I’s complaint about BMFL.

When considering what’s fair and reasonable, I take into account relevant law and regulations. The Consumer Rights Act 2015 (“CRA”) is relevant to this complaint. The CRA explains under a contract to supply goods, the supplier – BMFL here – has a responsibility to make sure goods are of satisfactory quality. Satisfactory quality is what a reasonable person would expect – taking into account any relevant factors.

I would consider relevant factors here, amongst others, to include the car’s age, price, mileage and description. So, it’s important to note that the car Miss I acquired was used, over six and a half years old, had been driven for almost 96,000 miles and cost under £10,000. I would expect a used car of this age to have significant wear and tear and to require more repairs and maintenance than a brand-new car. I also think the cost of the car is likely a large reduction of what the cost would’ve been new.

What I need to consider is whether the car was of satisfactory quality when it was supplied. And in order to do that, I first need to consider whether the car developed a fault.

Had the car developed a fault with its engine or in relation to the clutch judder Miss I experienced?

Miss I said she experienced issues with the car which appeared intermittently. She said the engine shut off a few times, and when driving, the car jolted forward as though the clutch was slipping.

On the other hand, BMFL say that a service and vehicle health check report were completed on the car prior to it being supplied, along with a pre delivery inspection check being signed by Miss I, which didn’t indicate an issue with its engine or in relation to the car juddering.

In January 2024, Miss I took the car to Garage A. Among other things, the invoice gave a brief description of the issues that were described with the car:

“Carry out initial diagnostic...Vehicle stop/start goes on, sometimes green and fine sometimes amber, will turn off n [sic] its [sic] fine, when driving on straight road or up hill vehicle starts jolting.

Check stop start as doesn’t always restart and have to turn key”.

The invoice then gave a brief overview of its findings:

“Decoded vehicle – no faults logged. Roadtested [sic] vehicle and confirm clutch judder when pulling away intermittently. Suspect this is cause of customers “jolting” but want to confirm with customer on demo. Unable to recreate stop start issue. Require vehicle in failed state.”

In addition, I have noted the findings of the inspection report completed on the car in late February 2024. Among other things, the report said:

“...having carried [sic] my safety check and diagnostic check which failed to reveal [sic] any stored or pending codes...

Unaccompanied, the engineer carried out a 5 mile test drive, reaching speed [sic] up to the national speed limit, and can report that the vehicle drives as normally expected for its type, age, and recorded mileage...

The vehicle drove as expected and there was no issues with the engine and transmission performance...

We did note that the battery condition was approaching end of its in-service life which could result in the stop start system intermittently not function...

The battery should also be replaced... which would be classed as good engineering practices...

A battery that is approaching the end of its in-service life can result in an intermittent issue with the stop start system...”

So, in summary, Garage A’s findings said they could replicate the judder Miss I experienced but didn’t go on to diagnose or explain what the fault specifically was. On the other hand, the inspection report believed the car to drive as expected for its type, age, and recorded mileage.

I’ve also noted that both Garage A and the inspection report couldn’t find any stored or pending codes after a diagnostic check was completed on the car.

Considering both the findings made, I’m more persuaded by the comments made in the inspection report, as the comments made by Garage A suggest they aren’t certain what or if there is a fault with the car. I also think the inspection report is more detailed into the investigations they carried out to determine whether a fault was present. It follows that I don’t think there is clear evidence to show there is a fault with the engine or an issue relating to its performance, such as the car juddering.

I have noted that the inspection referred to the health of the battery possibly impacting the stop/start system and how it would be “good engineering practice” to replace it. I’m mindful that the report says the battery is approaching the end of its in-service life. While I am not an expert mechanic, considering the age of the car and the mileage of it, I would expect the battery to have deteriorated by the time the car had been driven around 100,000 miles. Additionally, I don’t think replacing a battery because it is “good engineering practice” means there is a fault with the battery, but rather I consider it to be a wear and tear issue.

So, overall, I’m not satisfied there is a fault with the engine or in relation to the judder Miss I says she experienced. I appreciate that while Miss I feels strongly there is an issue, the evidence that has been supplied suggests otherwise.

Had the car developed a fault with its parking system?

The independent report commented on the parking system. It said:

“On completion of the road test scan of the vehicles ECU revealed no issues, however we noted a message on the drivers panel did indicate a fault with the parking sensor system...

I subsequently checked rear parking sensors and found that all units were not functioning correctly, the camera screen was checked and found to be very grey and of poor quality...

During the inspection we also noted that the rear parking sensors were not functioning there was no obvious reason why, the vehicle owner stated they were not function [sic] at the point of sale...

There was no reason to dispute the vehicle owner statement and therefore the sales agent should be responsible for the rectification costs of the rectification of the parking sensors...”

Considering the comments made above, I’m satisfied there was a fault with the parking sensors as the report clearly states they were not functioning.

Was the car of satisfactory quality?

As I’ve said above, from what I have seen, I’m not satisfied that there is a fault with the engine and its performance, or in relation to the judder Miss I says she experienced. So, it follows that I don’t think this issue makes the car of unsatisfactory quality.

Turning my attention now to the parking system. I have noted that the independent report says that Miss I told the engineer that there was an issue with the parking system from the point of supply. And I can see that BMFL commented on the parking system in their final response.

But I’m also mindful that, other than the inspection report which was carried out several months, and four thousand miles after the point of supply, no other service, vehicle health check or diagnostic report referred to the parking system. So, the findings by MD or the pre delivery checklist by SD didn’t comment on the condition of the car’s parking system. The screenshot that has been provided by Miss I of her text message conversation with SD in November 2023 didn’t mention the parking system as being an issue either. And the parking sensors weren’t raised as an issue to investigate in the diagnostic check Miss I asked Garage A to complete.

As it isn’t clear when the fault with the parking sensors first presented itself, I have placed weight on the findings of the inspection report which says that there was no reason to dispute the vehicle owner’s statement that it wasn’t functioning at the point of supply.

Considering the comments made in the independent report, I’m satisfied the fault with the parking sensors was likely present or developing at the point of supply.

Remedies under the CRA

Our investigator said he thought Miss I should be able to reject the car. On the other hand, BMFL said that they had later offered a repair for the parking sensors and battery following the independent inspection, which they believed would be a fairer way to resolve things.

I have thought carefully about the comments made by both parties, and the usage of the car since it was acquired.

I'm satisfied the car has been used. From the point of supply up to the independent inspection, the car had been driven around 4,100 miles, in the space of around four or so months. While Miss I says she stopped using the car around April 2024, she later said that she began to drive the car on occasions. So, it is likely, the mileage of the car has further increased.

I also can't see that Miss I has given the opportunity for the car to be repaired. I accept that a diagnostic check and an inspection report was carried out. But these were rather fact-finding actions, and not an opportunity to remedy the fault following their findings.

I don't think it would be fair for the car to now be rejected, considering that the car has now been driven several thousand miles and also as I don't think the opportunity has been given to repair the car.

One of the other remedies under the CRA is repair, which BMFL has now offered for the repair of the parking sensors and the replacement of the battery. BMFL also asked for Miss I to obtain a quote for these, but she instead provided a quote for a clutch replacement.

Considering everything here, I think a repair of the parking sensors is fair in this instance and will mean that Miss I's rights under the CRA have been broadly met.

Considering the comments made by the independent inspection regarding the condition of the battery, and BMFL's offer to replace it, I also think it is fair for it to be replaced.

Impaired usage

As has already been established, it is likely the issue with the parking sensors was present or developing at the point of supply. So, it follows that Miss I's usage of the car has been impaired. Considering parking the car would be an activity that needs to be completed each time it is driven, and Miss I didn't have the benefit of what parking sensors bring, I think it would be fair for BMFL to compensate Miss I for it not working in the car since she acquired it.

In the circumstances, I think it would be fair for BMFL to reimburse Miss I 5% of all monthly repayments made towards the agreement from when the agreement started, up until when it is repaired.

Other costs

Miss I has explained that she paid £134.40 for a diagnostic check to be completed on the car. And from a screenshot I have seen of a text message between Miss I and SD, it suggests that Miss I was told to go to a garage to get the car diagnosed. So, I think it is fair Miss I is reimbursed this cost.

Distress and Inconvenience

Miss I was supplied a car that wasn't of satisfactory quality. I think she experienced some acute distress as a result. And also inconvenience in having to take the car to be diagnosed, as well as liaising with a third-party to have an inspection carried out on it. Considering the impact this has had on Miss I, I think it would be fair for BMFL to pay Miss I £100 compensation to reflect this."

I set out that I intended to uphold this complaint. And I gave both parties the opportunity to send me any further information or comments they wanted me to consider before I issued my final decision.

Responses to the provisional decision

Miss I responded and said, among other things that she is unable to drive the car at all due to the same juddering issue she originally reported.

She went on to say that while she understands the battery and the parking sensor will be replaced, these were not concerns she raised, nor were they reasons that she's been unable to use the car.

Mrs I said the warning light now appears constantly, where as before, it would come and go. And she said it appears as a result of the jolting.

Mrs I also supplied a video which she said was taken in February 2025 and which she believes shows the car jolting. The mileage of the car which is shown in the video is 105,664 miles.

BMFL didn't respond to my provisional decision before the deadline I set.

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'm not persuaded to change my opinion from the provisional decision I made.

I appreciate the further comments Miss I has made about the juddering issue. I also noted the videos Mrs I has supplied. The videos show that the car has now been driven approximately 10,000 miles from the point of supply. So, while there does appear to be an issue with the car, I'm mindful that it also appears to have been in regular use.

As I explained in my provisional decision, I'm more persuaded by the comments provided by the inspection report. The inspection report is more detailed into the investigations carried out to determine whether a fault was present. It follows that I don't think there is clear evidence to show there was a fault with the engine or an issue relating to its performance, such as the car juddering, which was present or developing at the point of supply.

In summary, I think BMFL needs to do more in this instance to put things right. I'm satisfied the outcome reached is fair and reasonable given the circumstances.

My final decision

For the reasons I've explained, I uphold this complaint and I instruct Blue Motor Finance Ltd to put things right by doing the following:

- Arrange a repair to the parking sensors and replace the car's battery at no further cost to Miss I within a reasonable timeframe. Or, if both BMFL and Miss I agree, Miss I can go to a different garage as long as the cost of the repair and replacement is reasonable. If Miss I has already completed repairs and replaced the battery, then this will need to be reimbursed to her, if proof of payment can be shown to BMFL. *
- Reimburse Miss I 5% of all monthly repayments made towards the agreement from its inception up until when the repairs to the parking sensors have been carried out. *
- Reimburse Miss I £134.40 for a diagnostic check completed on the car on 11 January 2024. *

- Pay Miss I £100 to reflect the distress and inconvenience caused.

* These amounts should have 8% simple yearly interest added from the time of payment to the time of reimbursement. If BMFL considers that it's required by HM Revenue & Customs to withhold income tax from the interest, it should tell Miss I how much it's taken off. It should also give Miss I a tax deduction certificate if they ask for one, so they can reclaim the tax from HM Revenue and Customs if appropriate.

If BMFL has already given compensation in relation to this specific complaint, the final amount should be less the amount already given.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss I to accept or reject my decision before 25 March 2025.

Ronesh Amin
Ombudsman