

The complaint

Mr O complains about the quality of a used car he acquired through a hire purchase agreement with Oodle Financial Services Limited trading as Oodle Car ('Oodle'). Mr O says that the car wasn't of satisfactory quality as he had significant problems with it from when he acquired it.

What happened

Mr O's complaint is about the quality of a car he acquired in August 2023. The car was used, and it was first registered in November 2011. So, it was about 12 years old when Mr O received it and it had covered 109,000 miles. The retail price of the car was £15,991.

Mr O acquired the car using a hire purchase agreement that was started in August 2023. He paid £4,650 towards the car meaning £11,341 was financed. This agreement was to be repaid through 48 monthly instalments, the first instalment was for £400.15 followed by 46 monthly repayments of £350.15 and then a final instalment of £400.15. If Mr O made repayments in line with the credit agreement, he would need to repay a total of £21,557.20.

Mr O has complained about the quality of the car. Below is a summary of the issues complained about by Mr O and the investigation and repair work that has been carried out by the dealership, and other garages, alongside with what has happened in respect of the complaint.

I've seen the pre delivery checklist and this shows that everything was satisfactory with the car. But Mr O has said that at the point of supply he noticed that there were some problems with the car, these concerned some vibration when driving and issues with the steering. He had also noticed that a door mirror was loose, the driver's seat adjustment was faulty, the air conditioning was faulty (including window de-misting). And Mr O has supplied an MOT from September 2023 that shows, amongst other things, that an oil leak was present, but this wasn't 'excessive' and the windscreen wiper and washer were not effective.

Mr O has also said the car has a lack of service history since 70,907 miles, or over five and a half years ago.

The information I have been provided shows that most of these issues were fixed in October 2023 and the car was serviced and cleaned at this time. As far as I can see the oil leak that was identified was not looked at. I have noted that Mr O has consistently said that the oil leak was fixed, and the engine would have needed to be removed to do this. I understand the car was in the dealership for around a month to make these repairs, and Mr O was provided with a courtesy car.

The car developed an engine fault in December 2023 and it was taken to a dealership to be looked at again. There is an invoice from the dealership from January 2024 that shows the engine problem was investigated and a fault was found relating to a fuel injector.

The invoice and job sheet for this repair said that a diagnostic engine management light was showing, and it verified that an injector clamp / nut had become loose and had snapped in

the cylinder head. The invoice / estimate dated '8 Feb 2024' shows that the injector related issues were repaired at a cost of £1,944. A claim was raised under warranty and the dealership agreed to repair it. It's been confirmed that this work was completed in March 2024.

Oodle, and the dealership, arranged to have the car returned to Mr O in April 2024 but Mr O didn't accept the car at this time as he said it was returned to him in a poor condition. He says the tyres were worn and flat, and the interior of the car was damaged which he said had been caused by the dealership. He said that he now wanted to reject the car.

Oodle has supplied the information it has been provided by the transportation business which shows that the car has a 'dusty' exterior but that all the tyres are above minimum tread. There is some damage to three of the wheels. It shows that the car's mileage was 113,893.

Mr O complained to Oodle shortly after the car had the engine problem saying that it wasn't of satisfactory quality.

Oodle initially considered this complaint in March 2024. It said it arranged with the dealership to have the car repaired. It upheld the complaint on the basis that the dealership accepted liability and agreed to complete the repairs. But it thought the situation with the car was resolved.

After Mr O had not accepted delivery of the car following the repair, Oodle reconsidered the complaint. In a response sent to Mr O in May 2024 it said that it didn't think it needed to do anything further. It essentially said that Mr O hadn't demonstrated that the repairs had failed or that any further damage had been caused by the dealership.

Mr O didn't agree with this and brought this complaint to the Financial Ombudsman Service.

Our Investigator initially upheld Mr O's complaint. She said that there wasn't any evidence to show the car was repaired (there was only an invoice to show it was looked at). And so, Mr O should now be allowed to reject the car.

Oodle didn't agree with this and said that Mr O didn't take receipt of the car after it was returned to him following the repair, and whilst it didn't have an invoice it did have job sheets to show the repair took place, as Mr O didn't accept the car, there is no evidence that the repair had failed.

Mr O said that he asked for documentation for the car repairs at the time and these was not provided. The problems with the wheels and the oil leak were not documented at the time.

Later on, Oodle provided documentation from the dealership that it says showed the car was returned to Mr O having had the injector repaired and in a satisfactory state.

Following receipt of this information, our Investigator reconsidered the complaint. She still thought it should be upheld as the repair took too long to complete. But it was likely the car was properly repaired and that Mr O should have taken receipt of it. As he didn't take receipt of it, he couldn't evidence that it was still faulty. She thought that Mr O should be paid compensation due to the time it took to have the car repaired, and Mr O was without a courtesy car. Oodle agreed to this.

Mr O didn't agree with the Investigator. He didn't accept that the car was repaired, and he had discussed the approach to the repair with a specialist garage. And they had agreed that replacing only one of the injectors leaves the car at significant risk of further failure. Properly

repairing the injectors would now cost around £3,500. He said it was likely the injectors were removed when the oil leak was fixed, and they would no longer be fit for purpose. And so, the car is likely to need significant work again soon.

Mr O wanted all the repairs and service history of the car so he could determine what work had been done to it and Oodle, or the dealership, hadn't provided this.

He maintained that when the car was returned to him the tyres were well below the legal limit and it will need two new tyres now. It didn't need these before the second repair. It was returned in an unsatisfactory condition.

There have been some developments since the repair in March 2024 which I have noted but I won't detail in full. But briefly Mr O agreed to have the car returned to him but at one point he was unable to determine the location of it. For a short period Oodle was also unable to locate the car and Mr O reported it to the police as stolen. The car was located later, and I understand it has been returned to Mr O. These issues don't form part of this complaint and I won't consider them here.

Oodle has essentially said that if Mr O can show the repairs were not completed satisfactorily, by way of an independent report, then it would reconsider if Mr O had the right to reject the car. Again, Mr O can consider if he wants to do this, but as it something that may happen in the future, I also won't consider it as part of this complaint.

And Mr O didn't pay all the finance repayments and Oodle issued Mr O with a notice of default at one point. I can also see that Oodle 'put any further action on hold' until his current complaint is resolved at the Financial Ombudsman Service.

Because no agreement has been reached, this matter has been passed to me to make 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 need to have regard to the relevant law and regulations, regulators' rules, guidance and standards, codes of practice and (where appropriate) what I consider was good industry practice at the relevant time.

The agreement in this case is a regulated hire purchase agreement – so we can consider a complaint relating to it. Oodle as the supplier of the goods under this type of agreement is responsible for a complaint about their quality.

The Consumer Rights Act 2015 ('CRA') is relevant to this complaint. It says that under a contract to supply goods, there is an implied term that 'the quality of the goods is satisfactory'.

To be considered 'satisfactory', the goods would need to 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 car's history.

The CRA 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.

This car was about 12 years old when Mr O acquired it and it had travelled around 109,000 miles. I think a reasonable person would accept that such a vehicle would probably have some parts that are worn and would need replacing sooner or later – which is reflected in the lower price paid in comparison to a new vehicle.

But there's also a reasonable expectation that a vehicle will be relatively durable - taking into account its age, price and mileage at the outset. So even though the vehicle wasn't new Mr O should have been able to use it for a reasonable period before it needed significant work.

As I've outlined above, the car was repaired and serviced shortly after Mr O acquired it. This was because of some issues that were raised in the MOT, and some other problems he was having with it. The most serious of these was the oil leak the car had. And later, the car went on to develop a problem with the engine. There was a fault with an injector, and this needed a significant repair. All of this is documented and agreed and so I think it's reasonable to say that the car Mr O acquired did have faults.

So, I need to consider whether the car was of unsatisfactory quality because of these faults. I need to consider whether the car was durable. If parts or systems of the car fail prematurely, this might indicate there was already a problem with the car when it was supplied.

I don't think the issues the car had at the start of Mr O's ownership, and following the MOT, were such that the car was of an unsatisfactory quality. This is because the car was relatively old and well-travelled and issues like those that I've outlined above do occur in cars of that age. The oil leak was relatively minor, and the car didn't fail its MOT because of this. Mr O had been able to use the car as normal.

Mr O has said that the oil leak was fixed in October 2023, but he hasn't been able to show that this was done. The information from the garage doesn't show this, and the garage hasn't supplied information to show it when asked. Mr O thinks this is important as the part that went on to fail may have been removed when the oil leak was fixed. And so may have become damaged then. I don't think there is enough here to say this was the case. But I've borne it in mind when considering the later problems Mr O had with the car.

The car had a more serious engine problem in December 2023. This was around four months into Mr O's ownership, and it needed a repair that took several months to complete. Oodle has acknowledged that the car needed a repair and undertook to have it done. I think it's reasonable to say that the car was of unsatisfactory quality at this time and Oodle needed to put this right. The crux of the remaining dispute is whether Oodle did enough to remedy these problems and I've thought about this below.

Whilst the car had a significant problem with the engine, and wasn't of satisfactory quality, a repair was a reasonable solution and Mr O also agreed to have the car repaired. So, I don't think he should now be able to reject the car when it was determined that it wasn't of satisfactory quality, I think repairing the car was the right thing to do.

I think it's reasonable to say that the car was repaired. I've seen an invoice and or estimate that shows the injector bolt and the related parts were repaired by the dealership. So, this work was done.

Mr O thinks that this repair didn't go far enough. This is because the car has six injectors and given the age and mileage of the car, if one of this part of the engine fails he thinks it's likely that the remaining parts will be at, or near, the end of their life. And will also fail soon.

I accept that this could be the case. But these parts don't need to be repaired now. And there is an element of this being due to ordinary wear and tear. As a relatively old car, parts of it are now likely to go wrong this will need to be remedied.

But I think Oodle only needed to put right what had gone wrong in the early part of Mr O's ownership. And any further work to the engine would be preventative maintenance which I wouldn't expect a dealership, or a finance provider, to be responsible for. I don't think it should do so here and I don't think Mr O should be able to reject the car because he thinks further work should have been completed on it.

Mr O thinks that when the oil leak was fixed the engine would have been removed and this may have contributed to the problems he had. But as I've said above, I'm not persuaded that the oil leak was fixed or that the engine was removed. And even if the engine was repaired in October 2023 it doesn't seem likely that the part that failed later was damaged as Mr O was able to use the car as normal for a number of months after this. So, again, I don't think that he should be able to reject the car for this reason.

Mr O didn't accept the car when it was returned to him as he thought it was damaged. I've seen the information provided by the business that transported the car back to him and these don't show any significant damage to the car. It does have some damage to the wheels but again this would be expected in a car of this age. And I understand that the wheels were old and showing signs of wear and or damage before the repair.

The main issue seems to be with the condition of the tyres. The carrier noted that these had enough tread on them to be legal to drive. The tyres look to be inflated. As far as I can see this seems to be the case. I don't think there is enough for me to say that the tyres became overly worn when it was being repaired.

Under the CRA repairs need to be made within a reasonable time and without significant inconvenience to a consumer. It's been established this didn't happen here. I think the second repair took far too long and Mr O wasn't kept mobile over this period. I think appropriate compensation for this should be that Mr O should be refunded the amount he paid over the time of the second repair.

And as his car was with the dealership for around five months this would also have caused him some distress and inconvenience. So, I think the £250 suggested by our Investigator for this distress and inconvenience is fair.

My decision is that this complaint should be upheld and Oodle should pay the compensation I've outlined below.

Putting things right

I uphold this complaint against Oodle and it should now:

- Refund the finance payments Mr O made between December 2023 to April 2024.
- Pay 8% simple yearly interest on all refunded amounts from the date of payment until the date of settlement.
- Pay a further amount of £250 for any distress or inconvenience that's been caused due to the faulty goods.

- Remove any adverse information from Mr O's credit file in relation to the agreement between December 2023 and April 2024 if applicable.

If Oodle considers that it's required by HM Revenue & Customs to withhold income tax from the interest part of my award, it should tell Mr O how much it's taken off. It should also give Mr O a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

My final decision

For the reasons I've explained, I uphold Mr O's complaint.

Oodle Financial Services Limited should put things right by doing what I've said above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 1 April 2025.

Andy Burlinson
Ombudsman