

## **The complaint**

Mr G complains about the quality of a car he has financed through an agreement with Advantage Finance Ltd ('Advantage').

## **What happened**

The details of this complaint are well known to both parties, so I won't repeat them again here. Instead, I'll focus on giving my reasons for my 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.

I've read and considered the whole file, but I'll concentrate my comments 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.

Mr G acquired his car under a hire purchase agreement. This is a regulated consumer credit agreement and as a result our service is able to look at complaints about it.

The Consumer Rights Act 2015 (CRA) covers agreements like the one Mr G entered. Because Advantage supplied the car under a financial agreement, there's an implied term that it is of satisfactory quality at the point of supply. Cars are of satisfactory quality if they are of a standard that a reasonable person would find acceptable, taking into account factors such as the age and mileage of the car and the price paid.

The CRA also says that the quality of goods includes the general state and condition, and other things such as its fitness for purpose, appearance and finish, freedom from minor defects and safety can be aspects of the quality of the goods.

Satisfactory quality also covers durability. For cars, this means the components must last a reasonable amount of time. Of course, durability will depend on various factors. In Mr G's case the car was used and covered approximately 125,000 miles when he acquired it. So, I'd have different expectations of it compared to a brand-new car; I think it's likely there would be some wear and tear present. Having said that, the car's condition should have met the standard a reasonable person would consider satisfactory, given its age, mileage, and price.

So, if I thought the car was faulty when Mr G took possession of it, or that the car wasn't sufficiently durable, and this made the car not of a satisfactory quality, it'd be fair and reasonable to ask Advantage to put things right.

Having carefully considered matters I'm satisfied that both parties are in agreement that the car supplied to Mr G wasn't of satisfactory quality. So all I need to decide here is whether what Advantage has agreed to do to put things right for Mr G is fair and reasonable in all the circumstances of his complaint.

Having considered the available evidence, I'm in agreement with our Investigator that Advantage needs to do a bit more to put things right for Mr G. I'll now proceed to explain why I think that this is the case.

It is my understanding that Advantage has already ended Mr G's agreement and collected the vehicle from him. The information provided suggests that it has also paid:

- £1,434.31 towards initial repairs carried out.
- £250 as a goodwill gesture to assist with travel costs.
- £72.78 for the brake pad repair.
- A reimbursement of £2000 for the deposit paid.

And it agreed to remove any adverse information from Mr G's credit file in relation to this agreement. Advantage is satisfied that this represents a fair and reasonable resolution to Mr G's complaint.

However, Mr G doesn't think this goes far enough. He says being supplied with a car that wasn't of satisfactory quality left him without a vehicle. I appreciate the agreement was unwound however there were times where Mr G was in a position where he had a car that was not of satisfactory quality, and it could not be used as a result. As the hire purchase agreement was still live until the matter was resolved Mr G was still in a position where this hampered his ability to obtain an alternative.

However, I don't think it's fair Mr G receives a full refund of his monthly instalments, it's fair he pays for his use of the car. The CRA says a deduction can be made from the refund to take account of the use the consumer has had of the goods in the period since they were delivered. It doesn't set out how to calculate fair usage and there's no exact formula for me to use.

Overall, I can see the times Mr G was without a car all together was just under a month. Advantage's goodwill gesture of £250 is slightly more than one monthly instalment and I agree a figure equivalent to one monthly repayment is a fair and reasonable remedy.

I understand Mr G also wanted compensation for the distress and inconvenience suffered and I think it would have been frustrating for Mr G to have to deal with the issues with the car, the multiple repairs and trips to the garage. As well as arranging for repairs and inspections. Our Investigator recommended £200 to put this right and I think that is fair and reasonable under the circumstances of this complaint.

### **My final decision**

My final decision is that I uphold this complaint and direct Advantage Finance Ltd to put things right by doing the following:

- Pay Mr G £200 to reflect the distress and inconvenience caused.
- Remove any adverse information from Mr G's credit file in relation to this agreement.
- Pay 8% simple interest on the refunded amounts as outlined in my findings from the time of payment to the time of reimbursement.

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

Rajvinder Pnaiser  
**Ombudsman**