

The complaint

Mr A's complaint relates to problems he had with a car supplied to him by STARTLINE MOTOR FINANCE LIMITED (Startline) under a hire purchase agreement.

What happened

Mr A entered into a hire purchase agreement with Startline in August 2023 to purchase a car. The cash price of the car was £7,344. The term of the agreement was 60 months. The total amount due under the agreement was £11,656, made up of 59 monthly instalments of £194.10, followed by a final monthly instalment of £204.10.

In November 2023, a little over two months after taking receipt of the vehicle, Mr A says he began to experience issues with the car. Specifically, he noted a slight knock from the timing chain, a judder when idling and an EGR valve issue.

Mr A contacted the selling dealership – as well as Startline – about these issues. In doing so, Mr A provided both parties with an estimate for the repairs, which totalled £3,027.60. The selling dealership offered to arrange an independent inspection of the vehicle to be carried out. The inspection was carried out on 19 December 2023. I'll refer to this inspection as 'Report 1'.

Upon receipt of Report 1, Startline issued a final response in January 2024 in which it rejected Mr A's complaint.

Unhappy with this, Mr A referred his complaint to the Financial Ombudsman Service. One of our investigators looked into what had happened and, in September 2024, issued their findings.

In short, our investigator said that she hadn't seen diagnostic evidence to demonstrate that the issues were present or developing at the point of sale [and as a result she couldn't] hold Startline liable for this fault. The investigator went on to say that if she were presented with this mechanical evidence, then [her] opinion may change.

In response to our investigator's findings, Mr A arranged for another inspection to be carried out on the vehicle by a firm I'll call 'M'. M issued its findings on 29 September 2024 which Mr A submitted to our investigator. I'll refer to this inspection as 'Report 2'.

In light of this new information, our investigator issued a second set of findings on 22 November 2024. In short, our investigator said that having considered all of the relevant circumstances, including the price, age and mileage of the car when supplied – and when the fault first happened – [she didn't] think the goods were of satisfactory quality at the point of supply. Therefore, she upheld the complaint.

I note Report 2 appears to quote a different vehicle registration number to the vehicle in question. As it does not have a material impact on the outcome I have reached, I have proceeded on the basis that this was either due to a clerical error or possibly because the number plate has been changed.

Startline did not agree with our investigator. As an agreement couldn't be reached, the case was passed to me to decide.

On 14 March 2025, I issued a provisional decision in which I said:

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint, however I won't comment on everything. This is not intended as a discourtesy to either party, but it reflects the informal nature of this service in resolving disputes.

The agreement in this case is a regulated consumer credit agreement. As such, this service is able to consider complaints relating to it. Startline was also the supplier of the goods under this type of agreement, and responsible for a complaint about their quality.

The Consumer Rights Act 2015 is of particular relevance to this complaint. It says, amongst other things, that every contract to supply goods is to be treated as including a term that the quality of the goods is satisfactory.

The Consumer Rights Act 2015 says the quality of goods is satisfactory if they 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 vehicle's history.

The Consumer Rights Act 2015 says the 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. Startline did not supply Mr A with a new car here. The car was around eight years old and had travelled 90,600 miles at the point of supply. And while it was not an inexpensive car – the price was less than it would have been new.

So, I think it is fair to say that a reasonable person would expect that it would not necessarily perform as well as a new car. And there would be a high risk – if not an inevitability - of wear and repairs arising from previous use and maintenance by former users. In other words, there's a greater risk this car might need repair and/or maintenance sooner than a car which wasn't as road-worn.

Mr A says he initially experienced issues with the vehicle in November 2023, roughly two months after purchasing it. The following month, Report 1 was carried out. Between taking ownership of the vehicle and the inspection date, the vehicle had travelled 1,485 miles.

The Consumer Rights Act 2015 says goods must conform to contract within the first six months. So, where a fault is identified within the first six months, it's assumed the fault was present when the car was supplied, unless Startline can show otherwise.

Report 1 did identify that there was a slight timing rattle upon start-up and a very slight judder, [however] these evened out as the vehicle idled. The inspection included a 7-mile road test throughout which the inspector noted the vehicle performed commensurate to its age and recorded mileage. Finally, following a diagnostic assessment, the inspector found the ECU was free from any fault codes. Report 1 concluded that the vehicle was fault free and in a condition commensurate to its age and recorded mileage and not in need of immediate repairs.

Report 1 appears credible to me and is sufficiently detailed. Further, it includes a statement of truth to the court – so I have given it appropriate weight here. With this in mind, it is difficult for me to make a finding that the car is not of satisfactory quality in light of said report which finds otherwise. I think Report 1 is persuasive in showing the vehicle was not of unsatisfactory quality at the point of supply.

In response to our investigator's findings, Mr A arranged for an inspection and report to be carried out by M - a firm which specialises in this type of vehicle. This report was carried out in September 2024, some nine months after Report 1 and over a year after Mr A had taken ownership of the vehicle. By the time of the second inspection of the vehicle, it had travelled around 6,400 miles since Mr A took ownership of it.

During the inspection the mechanic found the manifold clogged up, carbon deposits in the manifold, EGR cooler blocked and chain guide snapped. In addition, Report 2 notes that the issue with the timing chain was common with this type of vehicle which prompted the manufacturer to release a modification gasket and issue a recall in 2019.

The report went on to say that issues with the noisy start up and loss of power were caused by the modification gasket not being replaced when the vehicle had travelled 50,000 to 60,000 miles. And it said the manifold ought to have been replaced or carbon cleaned. With that being the case, Report 2 concludes that these issues would have been present at the point of supply.

In relation to Report 2, Startline:

- 1. Questioned whether it was appropriate to place greater reliance on the findings in Report 2 over those in Report 1; and*
- 2. Noted that Report 2 highlights a blockage in the inlet manifold at 97,000 miles, so the vehicle had travelled over 6,000 miles since Mr A took ownership of it. Had this fault been present at the point of supply (13 months earlier) it would not have been able to achieve this; and*
- 3. Said there is no evidence of a recall for this model of vehicle in 2019.*

Having carefully considered everything that has been provided, I am satisfied that it is not a question of favouring one report over the other. I think it is appropriate to consider them both. I say this because, on my reading of both Report 1 and Report 2, they are not necessarily in conflict with one another, at least insofar as they both comment (but don't contradict each other) in relation to the performance issues Mr A reported with the vehicle.

After all, Report 1 identifies a rattle and judder on start-up but otherwise finds the vehicle was in a condition commensurate with its age. Whereas Report 2, carried out roughly nine months and 6,400 miles later, goes further by offering a root cause of the rattling and juddering Mr A was reporting – namely the absence of a modifying gasket to the timing chain and the failure to repair/replace the inlet manifold.

I don't think there's any dispute that Mr A has experienced problems with the car - that has been well evidenced by both his testimony and the information he's sent us. However, it doesn't automatically follow that because a number of items need attention or replacing on a car, the car itself is not of satisfactory quality as defined in the Consumer Rights Act 2015.

I say this because the EGR valve, inlet manifold and timing chain guide are serviceable items that are susceptible to wear and tear and, therefore, will require replacement over the lifetime of the car, as part of a regular maintenance schedule. A modern timing chain guide

should last between 80,000 and 100,000 miles and an inlet manifold and EGR valve should last between 50,000 and 100,000 miles. In August 2023, when Mr A took ownership of the vehicle, it was eight years old and had been driven just over 90,000 miles. So, at that time, these items were approaching the end of their serviceable life.

I note Report 2 states that these issues will have been present at the 50,000 to 60,000 mileage range. However, the fact the vehicle travelled a further 30,000 to 40,000 miles between this point and when it was sold to Mr A – and as Mr A has subsequently driven the vehicle for another 6,400 miles and the vehicle passed an MOT in August 2024 without the need for these items to be replaced - I am satisfied that the car was still of satisfactory quality when it was delivered to him.

I sympathise with Mr A, who I don't doubt has had to pay (or will need to pay) out a good deal of money on work that needed (or needs) doing to the car. But based on what I've seen, much of the work that needed (or needs) doing on the car seems to fall into the sort of expenditure one might reasonably expect to have to undertake on an eight-year old car, priced as it was, that had covered over 90,000 miles. I don't think the evidence I have seen shows that there was an inherent problem with the car that was present or developing when it was supplied.

I should add for completeness that I have searched the relevant government website and I cannot find evidence of a recall for this model of vehicle in 2019. However, I recognise that this is not necessarily conclusive of there never having been one. Therefore, I am willing to accept that there was a recall in 2019 in relation to the modifying gasket. But if there was, I am satisfied it is no longer active and, on balance of probabilities, was not active when the vehicle was sold to Mr A in August 2023. With that being the case, I do not think this is something that I could reasonably hold Startline responsible for as the recall occurred long before the selling dealership took ownership of the vehicle or Startline agreed to provide finance for it. In my view there would be a reasonable expectation on the part of Startline that any steps required as part of a prior recall process would have been followed.

Although the evidence points to the issues with the vehicle not being present at the point of sale I have also thought about durability – which is a factor when considering satisfactory quality under the Consumer Rights Act 2015. However, here I note that the blocked EGR valve and other issues were identified after the vehicle had travelled around 97,000 miles - which is significant mileage – and where it would reasonably be expected that there is a risk of more significant component failure. When buying a second-hand car with significant mileage it is reasonably expected that there is a risk some components might need replacing sooner than on a newer less road worn car. And unless the dealer specifically sold the car as having certain components replaced for new ones – which the available evidence doesn't point towards - I don't think there is a breach of contract in this regard.

I understand Mr A is likely to be disappointed by my decision. However, my role is to resolve disputes informally and, having reviewed everything provided by both parties, I find Startline don't need to do anything further to resolve this complaint.

I gave both parties an opportunity to respond to my provisional decision.

Mr A disagreed with my provisional decision. In doing so, he provided a number of reasons why. I would like to thank Mr A for compiling this submission and I would like to reassure him that, whilst I won't reference everything that he has said within my final decision, I have carefully considered it. No discourtesy is meant by this, but it reflects the informal nature of this service in resolving disputes.

Startline did not respond to my provisional 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 carefully considered all the available evidence and arguments – including everything that has been said in response to my provisional decision - to decide what's fair and reasonable in the circumstances of this complaint.

Having done so, I am not minded to depart from the findings set out in my provisional decision. This being that I don't think Startline need to do anything further to resolve this complaint. I understand this will come as a disappointment to Mr A, but I'll explain why.

I have taken into account Mr A's comments about what the Consumer Rights Act 2015 says when things go wrong in the first six months from supply of goods. Under the Consumer Rights Act 2015, where a fault occurs within the first six months, it's assumed that the fault was present or developing at the point of supply and it's generally up to the business to put things right, unless it does something to prove any problems are likely due to a reason other than the goods not conforming to the contract when supplied - such as usually expected wear and tear or accidental damage/lack of maintenance.

In this case, Mr A raised concerns regarding the vehicle with both the selling dealership and Startline in November 2023, a little over two months after supply. Specifically, Mr A noted a slight knock from the timing chain, a judder when idling and an EGR valve issue.

The selling dealership arranged for an independent report to be carried out (Report 1). This was carried out on 19 December 2023. Whilst Report 1 did identify that there was a slight timing rattle upon start-up and a very slight judder, it concluded *that the vehicle was fault free and in a condition commensurate to its age and recorded mileage and not in need of immediate repairs*. In short, Report 1 did not find that there was an inherent fault with the vehicle and, therefore, Startline concluded there the goods were not of unsatisfactory quality at the point of supply.

I'm satisfied it was reasonable for Startline to rely on the findings from Report 1 when deciding to rebut Mr A's claim. I say this because, as I noted in my provisional decision, Report 1 appears credible to me and is sufficiently detailed. Further, it includes a statement of truth to the court.

Mr A has provided a report (Report 2) from a mechanic who specialises in this type of vehicle. I don't find that Report 2 necessarily contradicts the evidence in Report 1, at least insofar as they both comment (but don't contradict each other) in relation to the performance issues Mr A reported with the vehicle. Although I note Report 2 goes further than identifying the problems by offering opinion as to the underlying reasons for the issues.

However, I am mindful that Report 2 took place nine months after Report 1 and over a year after Mr A had taken ownership of the vehicle (during which time the vehicle had travelled a further 6,400 miles²). The passage of time and additional mileage introduces more variables and difficulty in concluding the car was not of satisfactory quality at the time of supply. This, twinned with the age and significant mileage of the car, the findings of Report 1 and the nature of the issues, leads me to conclude on balance that the issues Mr A has experienced

² I recognise Mr A says he was not told to stop using the vehicle and continued to use it because it was his sole means of getting to work and taking his children to school. However, I have to take into consideration that the vehicle did travel these additional miles.

with the vehicle have likely been caused by parts reaching the end of their serviceable life (in the case of the inlet manifold and EGR valve) and wear and tear over time (in the case of the timing chain guide) rather than an inherent fault which renders the goods being of unsatisfactory quality at the point of supply.

With regards to the recall - which Mr A has helpfully provided further clarity about - the evidence provided does not persuasively show that the issues Mr A has experienced with the vehicle (considering its age and mileage) are directly linked to an inherent manufacturing fault – as opposed to wear and tear over time.

I know Mr A has pointed to the cost of repairs and several issues he has had in a short period of ownership of the vehicle. I am sorry to hear this. However, for the reasons I've explained, I do not think the car was persuasively of unsatisfactory quality at the point of sale.

Finally, I am sorry to hear about the upset and stress this matter has caused Mr A and his family. And I understand Mr A has purchased another vehicle on finance due to feeling unsafe using the vehicle in question - a decision he understandably says he did not take lightly due to the increased financial burden. With this in mind I have no doubt, as I've acknowledged, that Mr A is likely to be disappointed by my decision in what is not a clear-cut case. However, my role here is to resolve disputes informally and in a way that I think is fair and reasonable based on the circumstances. Mr A does not have to accept my findings and if he wishes he can pursue his dispute through more formal avenues such as court (seeking appropriate legal advice as he sees fit).

My final decision

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 15 May 2025.

Ross Phillips
Ombudsman