

The complaint

Mr E complains about the quality of a used car that was supplied to him through a hire purchase agreement with Blue Motor Finance Ltd (BMF). Mr E also complains that the car was misrepresented to him.

What happened

In August 2024, Mr E acquired a used car through a hire purchase agreement with BMF. The car was about nine years old and had travelled around 88,950 miles when it was supplied. The cash price of the car was £10,500. No deposit is listed on the agreement, so the total amount financed on the agreement was £10,500 payable over 58 monthly repayments of £307.87.

Mr E explained that he took the car to a manufacturer dealership to investigate a noise coming from the dashboard. However, they told Mr E that the car was involved in an accident, as the windscreen, bonnet and rear bumper had all been replaced. Mr E said he was never told this prior to acquiring the car and so wants to reject it or have the finance recalculated based on the actual value.

Mr E complained to BMF about this in November 2024. In December 2024 BMF issued their final response to the complaint which they didn't uphold. In summary, it said there was no evidence of any previous collisions, and an independent inspection confirmed cosmetic works to the front of the car but no evidence of a previous accident. They also considered the noise coming from the dashboard was likely to be an insecure trim and so not mechanical in nature.

Unhappy with their decision, Mr E brought his complaint to our service where it was passed to one of our investigators to look into.

The investigator recommended that Mr E's complaint should not be upheld. The investigator concluded that the evidence provided showed there was no previous collision and so the car wasn't likely to have been mis sold in that regard. The investigator also concluded the car was of satisfactory quality when it was supplied to him.

Mr E didn't accept the investigator's assessment. He explained that the works carried out on the car was more than cosmetic and so believes the value of the car would have been impacted as a result. However, as the investigator's assessment remained unchanged, Mr E 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.

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 E 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 E's complaint about BMF. BMF 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 BMF supplied Mr E with a used car that had travelled 88,950 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.

From the information provided I'm persuaded there's a fault with the car. I say this because the expert evidence that I've seen (the independent inspection report) concluded the noise was due to an insecure trim or similar.

Although the report advised the car was '*in an average condition for the age and reported mileage*', it did confirm the noise was considered to have been developing at inception.

Having considered the car had a fault, I've considered whether it was of satisfactory quality at the time of supply.

Satisfactory quality

In relation to noise, the report said: there was a vibration and resonance from around the dash panel area. It added that, this is not a mechanical failure or severe defect, and appears to be an insecure trim or similar, which may be of annoyance to the operator.

Having thought about this carefully I'm not of the opinion that the noise rendered the car of unsatisfactory quality, even though it would have been present at the point of supply. I say this because the expert report hasn't classed it as such. The report described the noise as a vibration and resonance, for example, rather than a loud rattling noise which compromised Mr E's safety. And although the noise existed, I've considered that it was on a vehicle that was nine years old and which had travelled nearly 90,000 miles at supply, which isn't insignificant. I think it's reasonable that the car would require some maintenance or have some visual signs of wear and tear, and I'm satisfied that the loose trim, as described in the expert report is a reflection of that.

I've thought about the other concerns Mr E raised about the body work of the car. In an email to the investigator, he said he was certain the car had a major body replacement. I don't doubt some of the body work has been replaced, as confirmed in the independent inspection report, however I'm not persuaded that it makes the car faulty. The report advised:

'There is no evidence to suggest that the vehicle has been involved in a large collision, or would have been subjected to a total loss, or structural repairs, and therefore, the cosmetic refinishing is likely due to a minor scrape, bump or stone chip rectification.'

So, all things considered, based on the evidence provided by both parties, I'm satisfied the car was supplied to Mr E in a condition that was of satisfactory quality.

Misrepresentation

Mr E also told us that he believed the car was mis sold to him because he was never told about the vehicle's history, having been in a significant collision. Mr E says the level of repair demonstrates it was significantly more than cosmetic, meaning the car is considered as an insurance category N, typically meaning a vehicle which has sustained cosmetic or repairable (non-structural) damage and requires some repair.

To investigate whether there was a misrepresentation of the car at the point of supply, I look at whether there's been a false statement of fact, which could also be a false statement by omission, meaning BMF may have withheld key information about the vehicle that may have impacted Mr E's decision to acquire it. I'd then consider if the false statement would have induced Mr E to buy the car.

Mr E says he wasn't told about the previous damage to a car. Prior to purchasing the car, the dealership wasn't obliged to inform Mr E of any previous works carried out on it, unless they were asked by him. They are however obliged to supply a vehicle that is in a condition of satisfactory quality, and as described.

BMF provided a copy of the advert for the vehicle which I've looked at and couldn't see that it gave any assurances about previous repairs. A HPI check completed by BMF also didn't highlight any concerns over previous accidents or collisions. So, I'm not persuaded there was any key information that was unreasonably said or withheld that would have induced Mr E into acquiring the car.

As I've concluded that the car was of satisfactory quality when it was supplied, and that it wasn't misrepresented I don't require BMF to take any action in relation to this complaint.

My final decision

Having considered everything, along with what's fair and reasonable, my final decision is that I don't uphold Mr E's complaint about Blue Motor Finance Ltd.

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

Benjamin John
Ombudsman