

## The complaint

Mrs S complains Oodle Financial Services Limited trading as Oodle Car Finance (Oodle) supplied her with a car which wasn't of satisfactory quality.

## What happened

Mrs S entered into a hire purchase agreement with Oodle in August 2024 to acquire a used car. The cash price of the car was £8,450. An advance payment was made of £2,779. The total payable under the agreement was £11,544.20. Mrs S was to make a first repayment of £194.42, 58 payments of £144.42 and a final repayment of £194.42. The mileage of the car was 81,122 and it was over 10 years old.

The car was first collected by Mrs S on 30 August 2024. She reported initial issues with the car on 31 August 2024. The car was returned to the dealership for repairs on 11 September 2024. However, she felt the repairs had taken too long and explained to the intermediary and dealer she wanted to reject the car on 25 September 2024. She also contacted Oodle directly on 2 October 2024 and explained she wanted to reject the car. She said she wasn't contacted until 17 October 2024 to confirm the car had been fixed.

Therefore, Mrs S complained to Oodle. Mrs S said shortly after she purchased the car she identified several issues. These included:

- Faulty driver's seatbelt failed to retract;
- Tyre worn below the legal limit;
- Cracked alloy which posed a significant safety risk; and
- A non-functioning audio system due to a faulty amplifier.

I understand she also raised a problem with the navigation system. She says she exercised her right to reject within the 30-day rejection period outlined in the Consumer Rights Act 2015 (CRA 2015).

Whilst she'd agreed to repairs, she said the dealer took an unreasonable amount of time. She said the dealership retained the car for five weeks to address the faults, which is excessive and unreasonable, especially given the nature of the issues identified. She said 14 days is generally considered reasonable. She said updates during this timeframe were inadequate and she had to chase for updates through the finance broker. She was informed the car was ready for collection only after she had formally rejected it.

Additionally, she was concerned there had been a lack of pre-sale checks, and the car was not roadworthy when sold. Also, MOT advisories regarding the tyre being close to the legal limit had been ignored. She said the cracked alloy directly led to the tyre issue. She explained the non-retracting seatbelt and the tyre breached the Road Traffic Act 1988 (RTA) which says cars should be sold in a roadworthy condition.

Oodle responded to the complaint on 28 November 2024. It acknowledged Mrs S's concerns with the seatbelt, audio system, tyre and alloy wheel. It said Mrs S had contacted the dealership and an agreement was made to return the car back to them to complete the

repairs. Although she had expressed dissatisfaction due to the length of time the repairs had taken and advised she wanted to reject the car, it didn't support her rejection of the car because she had accepted repairs. Therefore, it didn't uphold Mrs S's complaint.

Mrs S remained unhappy and asked our service to investigate. Our Investigator partially upheld the complaint, but didn't think Oodle needed to accept rejection of the car. He said Mrs S had accepted repairs and he doesn't think these took an unreasonable amount of time.

Mrs S didn't accept our Investigator's findings. In summary, she said:

- It has been accepted the car was not road legal at the point of sale, specifically due to the condition of the tyre. She says this supports her position that the car wasn't of satisfactory quality when supplied, which is a clear breach of her rights under the CRA 2015.
- A consumer has the right to reject faulty goods and the car was sold in an illegal and unsafe condition which should have entitled her to immediate rejection, regardless of whether repairs were later carried out. The completion of repairs after her rejection request does not override her right to reject the car – especially given the delays and significant inconvenience experienced. She doesn't understand why her rejection hasn't been upheld when it has also been accepted that the car wasn't roadworthy.
- She expects confirmation her finance agreement will be terminated and that she will be fully reimbursed for her deposit (£2,779) and additional costs incurred (£880 in hire car fees).
- She says she collected the car on 30 August 2024 and rejected it within the 30-day short-term right to reject period. The broker did not forward the email to Oodle until a week later, however, this doesn't change the fact she rejected the car within 30 days. Oodle also explained it provided a 45-day rejection period.
- In respect of the tyre, she said the burden of proof is not a legal requirement for the consumer and it is for the seller to supply goods of satisfactory quality. The dealership acknowledged faults and carried out repairs, which proves the issues existed, and the fact the tyre was replaced supports that it was not road legal.
- Agreeing to repairs does not mean she has lost her right to reject the car. CRA 2015 states repairs pause the 30-day rejection period but do not waive her right to reject if the repairs are not completed within a reasonable timeframe or cause significant inconvenience. By 2 October 2024 the repairs had still not been completed, meaning she was entitled to reject the car at that point. She was left without a functioning car for 26 days, which was unreasonable given the nature of the issues.

Additionally, Oodle submitted testimony from the dealer garage. The dealer said:

- It was made clear that the tyre had been ordered and they were awaiting delivery. The tyre on the car was roadworthy at the time of sale. Although it was worn at the edge, it met the UK legal requirements. The dealership confirmed it proactively ordered a replacement, but the vehicle was compliant with road safety regulations.
- There was an issue with the amplifier which was explained to the consumer. There was no prior issue with the head unit itself, but the amplifier is an integral part of the audio system.

- The navigation system had been thoroughly checked and functioned as expected.
- It didn't agree to cover hire costs. It would have provided a courtesy car had she asked for it. It offered to give the car back to her while waiting for the amplifier – to avoid further hire car costs.

As Mrs S didn't agree, the complaint has been passed to me to decide.

### **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 want to acknowledge I've summarised the events of the complaint. I don't intend any discourtesy by this – it just reflects the informal nature of our service. But I want to assure Mrs S and Oodle that I've reviewed everything on file. And if I don't comment on something, it's not because I haven't considered it, but because I've concentrated on what I think are the key issues. Our powers allow me to do this.

As explained by our Investigator, the CRA 2015 is relevant to this complaint. It says that under a contract to supply goods, there is an implied term that "the quality of goods is satisfactory". Oodle is the supplier of the goods under the agreement and is therefore responsible for dealing with a complaint about their quality.

The CRA 2015 says the quality of goods is satisfactory if they meet the standard that a reasonable person would consider satisfactory considering any description of the goods, the price and all the other relevant circumstances. Therefore, in cases 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.

The CRA 2015 says the quality of 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.

#### *The car*

My starting point is that Oodle supplied Mrs S with a car that was over 10 years old and had travelled 81,122 miles. So, it's reasonable to expect the car may have some wear and tear and may require repair or maintenance sooner than a brand-new car or a car which was newer and less well travelled. However, Oodle still needed to ensure the car supplied was of satisfactory quality.

#### *Was there a fault which made the car of unsatisfactory quality?*

Mrs S reported issues with the car soon after it was collected and it was returned to the dealership on 11 September 2024. I've seen an invoice from the dealer garage dated 7 October 2024, which confirmed the following work had been carried out:

- Seat belt replacement;
- Audio amplifier: supply and fit;
- Navigation issue: software update;
- Alloy refurbishment; and
- Tyre replacement.

Looking at the issues with the car and how soon after collection Mrs S raised the problems, I'm satisfied faults were present and developing at the point of supply. And I think this meant the car was of unsatisfactory quality. For example, I don't think it could reasonably be expected that the amplifier would need to be replaced. I won't go into detail about each individual issue as I'm satisfied the car wasn't of satisfactory quality and Oodle have confirmed repairs have been carried out for all the issues. I'm also mindful the crux of this complaint is about whether Mrs S ought to be allowed to reject the car which I'll consider now.

### *Should Oodle allow Mrs S to reject the car?*

I've thought about the remedies available to Mrs S under CRA 2015. I appreciate she strongly feels she should be allowed to reject the car, and she says she's exercised her right within 30 days. However, she initially agreed for repairs to be undertaken, and those repairs seem to have been carried out. So, I need to think about whether it's fair and reasonable for her now to be able to reject the car.

Mrs S said the repairs caused her significant inconvenience and took an unreasonable amount of time and under the CRA 2015 this would entitle her to reject the car. The CRA 2015 also explains that a consumer who agrees to the repair of goods can't exercise the short-term right to reject, without giving the trader a reasonable time to repair (unless it would cause a significant amount of inconvenience to the consumer).

Mrs S took the car to the dealer garage on 11 September 2024. The dealer has said the car wasn't booked in prior to its delivery which caused some delay. However, I note Mrs S has said she was in contact with them prior to returning the car.

I'm satisfied Mrs S was provided with updates from the dealer in respect of the repairs. Although this wasn't to the standard Mrs S expected and at times she had to reach out to the dealer, it does seem she was given updates on the progress. For example, on 15 September 2024 the garage confirmed the seatbelt had been sourced and was awaiting delivery and that the car was booked in for alloy repair and an inspection by a technician. On 23 September 2024, Mrs S has said she was also told parts for the seatbelt and locking nut had arrived but needed to be fitted and they needed to diagnose the amplifier issue. The following day she was provided with an update because the wrong seatbelt mechanism had been delivered.

Mrs S complained about the length of time it was taking on 25 September 2024 to the intermediary (who was representing Mrs S in this matter) and the dealer. She said she wanted to reject the car. On 2 October 2024, Mrs S contacted Oodle directly to confirm the same. I can see on 3 October 2024 the dealer contacted the intermediary to explain the car could be collected but it would need to be returned because the part for the amplifier had not yet arrived. So, Mrs S could collect and drive the car, although she would have needed to return it to have the amplifier fitted. The car wasn't collected, and the amplifier was subsequently fitted.

Throughout the period of repairs, I'm mindful the garage explained an incorrect part arrived for the seatbelt and the issue with the amplifier needed to be diagnosed prior to its repair. I've seen an invoice dated 7 October 2024 confirming the repairs and I've seen the dealer contacted Oodle on 10 October 2024 to explain it had been struggling to contact Mrs S about collection of the car.

Therefore, I'm satisfied the car had been repaired 26 days after it had been returned to the dealer. I've thought about this in respect of the work which was undertaken, and the points

Mrs S has made about this. Weighing up all the information I have, on balance, I don't think this was an unreasonable amount of time in the circumstances. I'm also not persuaded Mrs S was caused a significant amount of inconvenience. I appreciate Mrs S will be disappointed by my decision. However, for these reasons, I can't say Oodle should allow Mrs S to reject the car. She reported issues with the car within the first 30 days. However, she agreed to have those issues repaired. I'm satisfied the repairs were undertaken within a reasonable amount of time so I can't now direct Oodle to allow her to reject the car.

Notwithstanding this, I'm mindful Mrs S made her own arrangements for a hire car so she could stay mobile. Oodle said she was informed she could contact the dealer garage to arrange a courtesy car, and the dealer said it would have provided a courtesy car if she'd have asked for one. Mrs S hasn't commented on this. Nevertheless, I can see she informed the dealer on 25 September 2024 that she was incurring hire car charges, and I think more could have been done to arrange a courtesy car for her. Therefore, I think Oodle should cover the cost of the hire car which was incurred by Mrs S whilst the car was in for repairs.

Additionally, Mrs S has said she wasn't able to use the car between 31 August 2024 and 10 September 2024. This was prior to the car being returned for repair and covered eleven days. I don't think she should have to pay under the agreement for this eleven-day period when she didn't have use of the car. She is likely to have incurred other travel costs. I'm also mindful Mrs S experienced some distress and inconvenience and Oodle should pay £150 in recognition of this. I'm satisfied this is fair and reasonable in all the circumstances of the complaint.

#### *Service issues*

Mrs S has raised concerns that the car didn't have a valid MOT. However, I have seen the MOT records, and I note it received one on 4 June 2024. This was a couple of months prior to Mrs S's collection of the car. She was also concerned the car wasn't taxed or insured when she bought it. However, this is the responsibility of the new owner. I understand the advert confirmed there was five days insurance available, and she says she wasn't offered this at the time she collected it. I agree the dealer could have prompted her to take this up, however, it doesn't seem from Mrs S's testimony that she asked the dealer, and she might already have had arrangements for insurance. Therefore, I won't be asking Oodle to do anything further here.

#### **Putting things right**

I've explained above how I think Oodle should put things right and why I think this is fair and reasonable in all the circumstances of the complaint.

To put things right Oodle Financial Services Limited should:

- Refund equivalent monthly repayments made towards the agreement for the 11-day period Mrs S couldn't use the car (from when the issues were identified to when the car was returned for repairs);
- Cover the hire car costs incurred from 11 September 2024 to 7 October 2024 upon receipt of sufficient proof of payment from Mrs S;
- Pay 8% simple yearly interest\* on all refunded amounts from the date of payment to the date of settlement; and
- Pay £150 for the distress and inconvenience that has been caused.

\*If Oodle considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mrs S how much it's taken off. It should also give Mrs S a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

I also appreciate Mrs S is concerned about the current status of the agreement. I'd remind Oodle that it needs to treat Mrs S with forbearance and due consideration going forward.

### **My final decision**

For the reasons outlined above, I'm partially upholding this complaint and Oodle Financial Services Limited should put things right in the way outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 13 October 2025.

Laura Dean  
**Ombudsman**