

## **The complaint**

Mr U complains that the car he acquired financed through a hire purchase agreement with Oodle Financial Services Limited wasn't of satisfactory quality.

Mr U is represented in this complaint. However, for the sake of simplicity in this decision I have referred to all of the submissions from Mr U's representative as being made by Mr U.

## **What happened**

Mr U acquired a used car financed through a hire purchase agreement with Oodle he signed in February 2021. In May 2024 the car broke down and he took it to a manufacturer's garage, M. Diagnostic tests showed a hole in the engine and engine failure. M quoted over £17,000 for repairs. Mr U sourced a cheaper quote for approximately £5,500 from an alternative garage and had the engine replaced. He brought a complaint to Oodle requesting a refund of the repair costs.

In its final response Oodle said as the repairs had been completed on the vehicle already it was unable to determine if the faults were present or developing at the point of purchase so did not uphold Mr U's complaint. Mr U brought his complaint to this service.

Our investigator concluded poor maintenance and servicing likely led to eventual engine failure and it was unlikely the car had problems with the engine when Oodle supplied it. Mr U didn't agree and asked for a decision from an ombudsman. He made some additional comments to which I have responded below where appropriate.

## **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 realise this will come as a disappointment to Mr U but having done so I won't be asking Oodle to do anything further for the reasons I've outlined below.

I trust Mr U won't take it as a discourtesy that I've condensed the complaint in the way I have. Ours is an informal dispute resolution service, and I've concentrated on what I consider to be the crux of the complaint.

In considering what is fair and reasonable I need to have regard to the relevant law and regulations, regulator's rules, guidance and standards, codes of practice and (where appropriate) what I consider having been good industry practice at the relevant time. Mr U's hire purchase agreement is a regulated consumer agreement and as such this service can consider complaints relating to it.

Oodle, as the supplier of the car, was responsible for ensuring it was of satisfactory quality when it was supplied to Mr U. Whether or not it was of satisfactory quality at that time will depend on several factors, including the age and mileage of the car and the price that was paid for it. The car was just over three years old, had been driven for 25,813 miles and had a

price of £20,475. Satisfactory quality also covers durability which means that the components within the car must be durable and last a reasonable amount of time – but exactly how long that time is will depend on several factors.

If I am to decide the car wasn't of satisfactory quality I must be persuaded faults were present at the point of supply. Faults that developed afterwards are not relevant, moreover even if the faults reported were present at the point of supply this will not necessarily mean the car wasn't of satisfactory quality. This is because a second-hand car might be expected to have faults related to reasonable wear and tear.

I'm persuaded there was a fault with the car. I say this because I've seen copies of estimates, job sheets and invoices from two different garages indicating engine failure and the need for a replacement engine and new turbo.

While I'm persuaded there was a fault I haven't seen evidence that confirms the fault was likely present or developing at the point of sale. After six months into the agreement the onus is generally on the consumer to demonstrate that any faults were present or developing at the point of sale and not as a result of reasonable wear and tear. I've seen a recovery invoice dated 23 May 2024 and diagnosis by the first garage on 29 May. The first estimate of over £17,000 is dated 4 June and the final invoice for repair is dated 28 June. The first time Mr U made Oodle aware of the repair was on 10 September despite calls to Oodle on 16 August and 2 September to make changes to put Mr U's representative on the account. While I appreciate Mr U was able to find a much cheaper repair this wasn't authorised by Oodle, and he had several weeks between the breakdown and eventual repair to discuss it with Oodle. So Oodle wasn't presented with an opportunity to inspect the car prior to the repairs to agree any possible liability. So, I'm persuaded the car was likely of satisfactory quality at the point of delivery and it wouldn't be fair of me to hold Oodle responsible for the repairs.

Mr U has argued that the engine was inadequate, and it failed as a result of a latent defect present at the time of supply. I understand Mr U's position. Engine failure isn't disputed nor am I disputing that engine failure at 65,000 is premature but Mr U hasn't provided independent evidence there was a fault at the point of supply that wasn't as a result of reasonable wear and tear or poor maintenance that caused the engine failure. Mr U has also said that reasonable upkeep does not invalidate the claim. He said:

*"The limited servicing you mentioned in your rejection does not negate the dealer's obligation to provide a product that is suitable for the purpose. Furthermore, it is unrealistic to anticipate that routine maintenance will make up for inherent deficiencies that were present from the beginning, particularly if the manufacturer's guidelines were adhered to. All necessary services were concluded within three years. The vehicle was operational before the malfunction, as it had completed its motor vehicle inspection. There is no evidence to suggest that the malfunction was directly caused by inadequate maintenance."*

Mr U signed the terms and conditions and in doing so he agreed to be bound by them. Under section B it says:

*"As the vehicle is ours until you pay the option to purchase fee, we need you to look after it and not do anything that we don't allow you to do with it. You have to ...keep the vehicle under your control and in good condition and repair at your own expense."*

It's reasonable to expect that good condition and repair means adhering to manufacturer recommended service and maintenance schedules. In this case Mr U's car would be

expected to have had three services between the date he acquired it and when the engine failed. I can only see evidence of two services and it's not clear to me if these were more than interim services as I can only see oil and filter parts listed. So, it's not clear to me that all necessary services were concluded. Manufacturer recommendations for Mr U's car say a more detailed service should be carried out every two years. Mr U has said there isn't evidence to suggest that the failure was directly caused by inadequate maintenance. I agree that there isn't direct evidence. But a reasonable expectation would be that the owner adheres to the maintenance and servicing schedule in order to preserve the engine allowing failures to be more easily sourced. Failure to do so causes stress to the engine and mechanical parts.

Mr U has said he was able to reduce his loss by repairing the car for £5,450.92, which is significantly less than the dealer's quote of £17,000. He said his dedication to effectively resolving the issue is evidenced by his decision to proceed with the repair at a more reasonable cost. I'm not disputing that Mr U was able to get a reduced price for the repair and I'm pleased he was able to do this but that doesn't mean Oodle is responsible for refunding it. It wasn't given the opportunity to inspect the car, determine if the faults were present or developing at the point of sale nor did it have the opportunity to identify an appropriate authorised remedy if it was deemed responsible for the fault.

I'm sympathetic to the fact this is not the news Mr U would like but I'm satisfied Oodle hasn't done anything wrong, and I won't be asking it to do anything further.

### **My final decision**

My final decision is I don't uphold this complaint.

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

Maxine Sutton  
**Ombudsman**