

The complaint

Miss C complains that the vehicle she acquired through STARTLINE MOTOR FINANCE LIMITED ("SMFL") wasn't of satisfactory quality. She wants to reject the car and have the credit agreement cancelled.

What happened

Miss C entered into a hire purchase agreement in August 2024 to acquire a used car. The cash price of the car was £8,500 and was to be repaid through the credit agreement which was set up over a term of 44 months. Miss C's monthly payments were £247.66, resulting in the total repayable under the agreement, if it ran to term, being £12,208.04. At the time of acquisition, the vehicle was more than nine years old and had been driven around 98,000 miles.

Miss C told us:

- She bought the car on finance and shortly afterwards reported a number of issues and faults to the supplying dealership;
- there were issues with the washers, and there were vibrations and noises in the car;
- the supplying dealership authorised repairs at a third-party garage, and these repairs dealt with the rear brakes and the washer pump and they were completed at the end of August;
- when she collected the car, there were still vibrations, so she took it to another garage, and further faults were identified. These included issues with a rear lower rose bush; a wheel bearing; the brake fluid cap; and a sensor;
- she raised a complaint with SMFL, and an independent inspection of the car was arranged, but it concluded that the repairs it had been asked to assess had been successful, and the other issues were unlikely to have been present or developing at the point of sale;
- she's unhappy with the way this report was interpreted and wants to reject the car and cancel the finance agreement;
- she says she relies on the car and has felt isolated because she couldn't use it, and this has detrimentally affected her mental health.

SMFL rejected this complaint. It said it had looked at Miss C's diagnostic report; the one she obtained from her garage, and it was decided that an independent inspection was needed – this would assist with determining the liability for the faults – and would provide evidence if rejection of the car was appropriate. SMFL said the report placed liability for the faults with Miss C and not the supplying dealership and, as a result, it would not accept rejection of the car.

SMFL told this Service that Miss C had contacted it in December 2024 and provided details of conversations between her and the supplying dealership, together with the repair quote that the supplying dealership had paid in full. It went on to explain that the issues with the car that the independent inspector had identified would be *"deemed as general maintenance, wear and tear and commensurate with the age a mileage of the vehicle and would not have been present at point of sale nor related/resultant of the previously agreed repairs"*.

Our Investigator looked at this complaint and said initially that he didn't think it should be upheld. He said there were clearly fault with the car, and he listed the evidence he'd seen. But he was satisfied that the issues Miss C was experiencing with the car were simply things that were natural wear and tear, and were reasonable to expect in a car of its age and the mileage it had been driven.

Miss C disagreed and provided further testimony and evidence to support her position. She said that on 3 August 2024, the day she collected the car she noted on her drive home that the washers were not working. And the first garage she went to see two weeks later – the one that was investigating the vibrations and noise – also noted that the washers did not work.

Miss C said following the repairs that had been authorised by the supplying dealership, the washers still did not work – the driver's side jet did not function, and she could not keep her windscreen clean and clear. She said this amounted to a failed repair, and she provided a copy of the invoice that showed an attempt to repair the washers had been made. Miss C said she should now be permitted to reject the car, and she also noted that the repairs had failed to address the original complaint about the vibrations and noise.

Our Investigator looed again at this complaint and all the new evidence and testimony from both parties and concluded that the complaint should now be upheld.

He explained the relevance of the Consumer Rights Act 2015 ("CRA") in the circumstances of this complaint, and he concluded that the car supplied was not of satisfactory quality - there'd been attempts at repair, and these repairs had failed. And he said that although the independent inspector had not been asked to comment on the washers, the fact that Miss C had reported a fault with them so soon after collecting the car indicated that the fault was present at the point of supply. In view of everything that had happened, he said it was fair for Miss C to be allowed to reject the car, and he made recommendations about how SMFL should fairly settle this complaint.

Miss C provided additional information about things such as her usage of the car, and some of the additional costs she'd incurred because the car supplied was not of satisfactory quality, and our Investigator revised his recommendations to take this into account.

SMFL did not accept our Investigator's opinion, so the complaint comes to me to decide. It says it did not accept that the issue with the washers was present or developing at the point of supply because the car passed an MOT several weeks before Miss C acquired it.

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.

Having considered all the evidence and testimony afresh, I've reached the same conclusion as our Investigator and for broadly the same reasons. I'll explain why.

I hope that Miss C won't take it as a discourtesy that I've condensed her complaint in the way that I have. Ours is an informal dispute resolution service, and I've concentrated on what I consider to be the crux of this complaint. Our rules allow me to do that. Miss C should note, however, that although I may not address each individual point that she's raised, I have given careful consideration to all of her submissions before arriving at my decision.

When looking at this complaint I need to have regard to the relevant laws and regulations, but I am not bound by them when I consider what is fair and reasonable.

The hire purchase agreement entered into by Miss C is a regulated consumer credit agreement which means that this Service is able to consider complaints relating to it. SMFL is also the supplier of the goods under this type of agreement, and it is responsible for a complaint about their quality.

The Consumer Rights Act 2015 ("CRA") is relevant to this complaint. It says that under a contract to supply goods, there is an implied term that the "quality of the goods is satisfactory". To be considered "satisfactory" the goods would need to meet the standard that a reasonable person would consider satisfactory – taking into account any description of the goods, the price and other relevant factors. Those factors, in the case of a car purchase, include things like the age and mileage of the car at the time of sale, and the car's history.

The CRA 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.

Despite the other issues and problems Miss C has experienced with this car, I'm only looking at the issues with the washers, and these are serious enough on their own for me to uphold this complaint. The car supplied simply wasn't of satisfactory quality.

This is because the CRA says that, where a fault is identified within the first six months, it's assumed the fault was present when the car was supplied, unless the business, in this case SMFL, can show otherwise, and it has shown limited evidence to support this position; it simply says that because the car passed its MOT several weeks before it supplied the car, then it concludes that the washers were operating correctly.

But I've noted the very limited time that Miss C had the car before the issue with the washers was noted – just a few hours – together with the fact that the issue with them was noted by a garage a short time later. And the problem with the washers was reported to SMFL.

I can see that authorised repairs were arranged by the supplying dealership and at no cost to Miss C. But because a fault with the washers – that I'm persuaded was present at the point of supply – was still present after other repairs had been undertaken, then Miss C is entitled to a repair or replacement under the CRA.

However, where it seems to me that SMFL has misunderstood its obligations under the CRA is around the subject of repairs. It should note that the CRA only allows *one attempt* at fixing goods of unsatisfactory quality (not one attempt at *each* individual fault) before the consumer is entitled to other remedies – including rejection.

It follows that, as I am satisfied (after initial repairs completed) the car continued to suffer from faults with the washer, then it would likely be fair for Miss C to be able to reject it in accordance with her consumer rights as set out in the CRA.

There also remains the issue of compensating Miss C for her additional expenses in having the diagnostics undertaken, and for the distress, worry, anxiety and inconvenience that she's experienced because she was supplied with a car of unsatisfactory quality.

Miss C has described in some detail the anxiety that she felt, and how the problems with the car impacted her day-to-day life.

In conclusion, I'm satisfied that Miss C paid for a vehicle that wasn't of satisfactory quality at

the point of supply, and that she experienced a loss of enjoyment in terms of using it because of failed repairs.

Putting things right

I direct STARTLINE MOTOR FINANCE LIMITED to put things right by doing the following:

- ending the agreement with nothing further to pay;
- removing any adverse information from Miss C's credit file in relation to the agreement.
- collecting the car (if this has not been done already) at no further cost to Miss C;
- refunding Miss C's deposit;
- refunding Miss C some of her monthly rentals for impaired use and loss of use of the car because of the inherent quality issues. SMFL should refund 10% of monthly rentals between August 2024 and 3 January 2025; and all monthly rentals thereafter;
- refunding Miss C the cost of the inspection and diagnostics that she paid upon her production of a paid invoice;
- paying 8% simple yearly interest on all refunded amounts from the date of payment until the date of settlement;
- paying a further amount of £300 for the distress or inconvenience that's been caused due to the faulty goods;

*HM Revenue & Customs requires STARTLINE MOTOR FINANCE LIMITED to take off tax from this interest. STARTLINE MOTOR FINANCE LIMITED must give Miss C a certificate showing how much tax has been taken off if she asks for one.

My final decision

My final decision is that I uphold this complaint and require STARTLINE MOTOR FINANCE LIMITED to settle this complaint as I've directed above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 18 July 2025.

Andrew Macnamara
Ombudsman