

## The complaint

Mr K complains that a used car he acquired through a conditional sale agreement financed by Close Brothers Limited ('Close Brothers') is of unsatisfactory quality.

## What happened

In February 2024 Mr K took out a conditional sale agreement to cover the cost of a used car. The car cost £8,995 and it was supplied by a dealership I'll refer to as "H". It was around nine-and-a-half years old, and according to the MOT undertaken when Mr K acquired the car it had around 80,169 miles on the odometer. Mr K entered into a conditional sale agreement to finance the full amount. After interest and charges the total amount due was £12,063.40, repayable in 59 monthly instalments of £200.89 followed by one instalment of £210.89.

Around August 2024 Mr K took the car to H for a 'vehicle health check'. Mr K said H identified several faults, including the nearside front tyre being close to its legal limit, worn brake discs and pads and a blown exhaust flexi pipe. He added that H said the car needed a new engine. H offered to install it free of charge, but Mr K needed to cover the cost of the engine. Finally, Mr K said H advised further investigation was needed to establish the root cause of the faults.

Mr K contacted Close Brothers to complain. He said he had the car for less than six months and it was now no longer safe to drive. Close Brothers instructed an independent expert ("A") to inspect the car. A's report said that the coolant expansion tank was empty, and oil contamination was evident. It wasn't possible to road test the car and further investigation would be required. The report concluded that the car was faulty, but that the faults wouldn't have been present or developing at the point of supply. Close Brothers didn't uphold Mr K's complaint based on the report's findings. Unhappy with the outcome Mr K contacted our service for help.

Our investigator acknowledged that Mr K had experienced problems with the car. But he thought the available evidence showed that the car was of satisfactory quality at the time of supply. And so, our investigator didn't think the complaint should be upheld. Mr K didn't agree. He provided a report from a local garage ("S"). The report stated that S had carried out repairs to the car in 2022 after the timing chain failed. And that S had raised concerns that there may have been additional damage, but that the previous owner had declined further repairs. S said the current fault with the car couldn't be attributed to Mr K.

Our investigator shared S's report with Close Brothers. In their view the car wouldn't have passed two MOTs and travelled close to 9,300 miles had further damage been present as suggested by S. Close Brothers then arranged for a second inspection. This was carried out in April 2024 by an independent expert I'll call "SV". SV said the engine didn't start due to total electrical failure and probable internal mechanical failure. They concluded that the vehicle was of satisfactory quality at the time of supply, but that it wasn't sold in a durable condition.

Our investigator reviewed SV's report and comments from both Mr K and Close Brothers. He said two independent experts had concluded that the fault wouldn't have been present at the

point of sale. And so, he remained of the opinion that Mr K's complaint shouldn't be upheld. Mr K disagreed. He said SV concluded that the car wasn't durable – which is requirement of satisfactory quality. Mr K added that SV's findings were backed up by S's report. Finally, Mr K said the investigator hadn't considered H's offer to replace the engine without charging Mr K for the labour costs. He said this was an acknowledgement of a serious mechanical failure.

Mr K asked for an ombudsman to consider the complaint – and so it's come to me.

### **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 done so, I'm not upholding Mr K's complaint. I'll explain why.

Mr K sent a substantial amount of information and arguments in response to our investigator's assessments. I'm going to focus on what I think is the key issue and the crux of Mr K's complaint, so I've gone into less detail than he has. But I'd like to assure Mr K that I have read and considered everything carefully. If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this.

When considering what's fair and reasonable, I take into account relevant law, guidance and regulations. The Consumer Rights Act 2015 ('CRA') is relevant to this complaint. This says, in summary, that under a contract to supply goods, the supplier – Close Brothers here – needed to make sure the goods were of 'satisfactory quality'.

Satisfactory quality is what a reasonable person would expect, taking into account any relevant factors. I'm satisfied a court would consider relevant factors, amongst other things, to include the car's age, price, mileage, and description. And, as it's relevant here, it also includes durability.

In this case, Mr K acquired a used car that cost £8,995. It was around nine-and-a-half years old and had around 80,169 miles on the odometer. I think that a reasonable person would expect a car of that age and mileage to have significantly more wear and tear than a new car. And that it would require more maintenance and potentially costly repairs much sooner than a newer, less road worn car.

It doesn't appear in dispute that the car Mr K acquired is faulty. It's no longer driveable and so it has been declared as 'off the road'. What I need to determine is whether the car was of satisfactory quality at the time it was supplied to Mr K. I've been provided with four reports about the car's condition, which I'll summarise below.

#### H's vehicle health check

Mr K provided us with a summary of H's finding following the vehicle health check they carried out. It's not dated, but from what I've seen it appears it took place just before Mr K complained to Close Brothers in early August 2024. H identified a list of repairs needed, including to the front and rear brake pads, the exhaust clamp and flexi, the rear shock absorbers, and the nearside front tire. They also said the coolant was filled with oil and this would need investigating. H estimated the repairs would cost around £2,600.

Mr K said H also told him the car needed a new engine. This (and the cost of it) isn't included on H's report, but I've seen an email from H to Close Brothers which confirms that H offered to install the new engine free of charge as a gesture of goodwill. In that email, H said its technicians had inspected and serviced the car before it was supplied to Mr K. H said there hadn't been evidence of water leaks or issues with the head gasket at that point. They added that head gasket failure is progressive, so Mr K would have been aware of overheating or loss of coolant before the head gasket failed completely. H said Mr K hadn't reported any problems to them in the five months he'd had the car. In their view, Mr K had driven the car until catastrophic failure.

A's report dated 28 August 2024 (inspection on 20 August 2024)

A noted that

- The odometer showed 85,866 miles
- The oil level was correct, but the coolant was empty with oil contamination inside the expansion bottle
- An oil leak was dripping onto the undertray on the offside; oil emitted from the offside coolant hose
- Within a minute of the car starting the coolant warning light illuminated with a warning that the coolant level was low
- No road test was carried out because the car was out of coolant
- A diagnostic check showed four fault codes:
  - 004873 – exhaust gas recirculation cooling plausibility
  - 00494A – preheating control unit diagnosis feedback
  - 004BD6 – engine mounting activation
  - 004BD7 – engine mount activation

The report concluded the faults needed further investigation, and that they wouldn't have been present or in development at the point of sale. The expert couldn't confirm reports of the car going into limp mode.

S's report dated 17 March 2025

S said it had carried out a major engine repair in March 2022. The previous owner brought the car back over a year later with concern of oil mixing in the coolant header tank. At the time, S thought it could be oil cooler failure or a weakness or crack in the cylinder head caused by the cam carrier smashing up when the timing chain failed previously. S said the previous owner declined a repair. In their view the oil mixing issue couldn't be attributed to Mr K as it was an inherent defect fault identical to the one they'd seen before.

Mr K was able to obtain the invoice for the repairs S carried out on the car in March 2022. This shows the following work was undertaken:

- Dismantling of the engine to check for damage after timing chain failure
- Removal/refit of the cylinder head
- Renewal of both timing chains
- Replacement of worn front brake pads

Under 'Customer Advisories' it states '*brake fluid change required (overdue)*'.

Our investigator shared the report with Close Brothers, who contacted S for comment. They said S confirmed that they'd last inspected the vehicle to complete a service on

17 October 2022; at that point the mileage was recorded as 76,584. They'd previously replaced the timing chain and removed the head of the engine. The engine had run fine after the repairs, but S had concerns there may be additional damage.

SV's report dated 22 April 2025 (inspection on 17 April 2024)

SV's report noted the following:

- Significant, longstanding and widespread engine oil leaks were present, including visible oil patches underneath the car
- Engine coolant and engine oil levels were very low; the residual coolant in the header tank was heavily emulsified
- The coolant float was jammed; no external coolant leaks visible
- There was significant widespread oil contamination underneath the engine, chassis, front subframe and surrounding areas
- The engine wouldn't start, no dashboard lights illuminated even with a powerful booster pack. The booster leads became hot during the attempt to jump-start the car, indicating heavy current draw

SV said that the car was seriously defective due to total electrical failure and probable internal mechanical failure. SV couldn't confirm the source of the engine oil leaks due to lack of running and access limitations. But the heavily emulsified coolant residue in the expansion tank was consistent with head gasket failure.

The report concluded that the vehicle was of satisfactory quality and met MOT standards at the time of supply in February 2024. In SV's opinion the oil leak appeared to have been a developing issue at the point of supply, although given that it passed the MOT it didn't appear to have caused significant operational failure at that time. The major mechanical failures had occurred during Mr K's ownership and couldn't be attributed solely to pre-existing faults at point of supply. SV also noted concerns about durability given the vehicle's age and current state. They said Mr K might be able to ask the selling agent for help regarding the oil leak. However, in their view the extent of current failures suggests broader age and wear-related issues.

#### Satisfactory quality

I've carefully considered the four reports alongside all the other available evidence. I should acknowledge here that the four reports are somewhat contradictory, in that there's a difference of opinion between the inspectors about the cause of the fault.

Mr K raised his complaint with Close Brothers following H's vehicle health check. He said the issues H identified showed that the car wasn't inspected thoroughly or prepared to a satisfactory standard before it was supplied to him. In his view, the MOT undertaken at the time of supply ought to have picked up on these problems.

I can understand that it would have been frustrating for Mr K to be told that the car he'd acquired less than six months earlier needed significant work. But I don't think it follows that the car hadn't been inspected properly (including during the MOT) or wasn't of satisfactory quality. This was a used car that was over nine years old and had over 80,000 miles on the clock when it was supplied. H's report doesn't include the mileage, but A's report around two weeks later noted the mileage as 85,866. So, Mr K had covered around 5,700 miles since he acquired the car.

Inevitably this will have caused further wear and tear to the car's components. I think it's more likely than not that the component parts that were within acceptable limits at the time of the supply deteriorated since then to the point that they required repair in August 2024. In other words, I don't think it's unusual or suspicious that the MOT hadn't picked up on the problems Mr K is now complaining about.

The main issue here is that the car's engine suffered catastrophic failure. Based on what I've seen the underlying reason for this appears to be the head gasket failing. Both A and SV noted oil leaking and contaminating the coolant in the header tank, underneath the engine, chassis, front subframe and surrounding areas. SV said the most likely cause for this is the head gasket failing. And H's email to Close Brothers also indicates that the head gasket had failed. I note what Mr K has said about H's offer to replace the engine free of labour charges. But I don't agree with him that this offer amounts to a concession that the car was faulty when Mr K acquired it. H have described this as a goodwill gesture and have remained clear that the inspections they carried out before Mr K acquired the car didn't reveal any problems.

Mr K believes that the head gasket failure is linked to issues with the car before he acquired it. He provided a report from S, who he said had direct involvement with the car in the past and had expressed concerns about the car before he acquired it. But I don't find S's account persuasive. There are inconsistencies, for example in the report dated 17 March 2025 S says they repaired the car in 2022, and the previous owner returned over a year later with concerns of oil mixing in the coolant header tank. The report went on to say that it was then that S raised the possibility of a crack in the cylinder head and that the previous owner declined repairs.

But when Close Brothers spoke to S, they said they'd last inspected the car in October 2022. And that the concerns about further damage were present around the time of the repair. If that was the case, I'd have expected S to have noted those concerns in the customer advisory section, in the way they noted the brake fluid. But they didn't. So, while I've taken into account that the car had previously been repaired, I'm not persuaded by S's opinion that the current fault was developing before Mr K acquired the car.

Moreover, the car was used for almost two years after S said it last inspected the car in October 2022, and it covered almost 10,000 miles during that time. If the head gasket was damaged in October 2022, I think it more likely than not would have failed considerably sooner than it did. And the first independent expert was clear in that the fault wouldn't have been present or developing at the point of supply.

A's report said this was because the car had covered almost 5,700 miles since it was supplied. Mr K didn't think A's report was credible. He said the inspection lasted no more than 20 minutes and used only basic tools. He added that A's terms and conditions said its report was designed to *"provide the best possible chance for the client to achieve their goal"*. In Mr K's view this confirmed that the report wasn't independent. While I appreciate Mr K doesn't agree with A's report, I'm satisfied it's independent and A's expert was suitably qualified to make a finding on the car's condition. The report includes the expert's duty to the court and a statement of truth. For that reason, I think I can put substantial weight on A's findings.

Mr K said SV's findings contradict A's conclusion and support his own position that the car wasn't of satisfactory quality. I don't quite agree. I accept that SV said the oil leak appears to have been present at the time of supply. But their report doesn't explain why the expert thought that. Similarly, while SV said durability concerns were present, the report doesn't explain what those concerns are. And this is at odds with SV's statement that the car was of satisfactory quality at the time it was supplied. As Mr K himself pointed out, SV's report does contradict itself in parts.

I've thought about this carefully. Here, the car's MOT history showed that it passed its MOT in 2022 with one advisory relating to a nearside oil leak. The next MOT (in August 2024) was a pass without advisories. I think it's likely that the oil leak noted in 2022 was repaired. I say this because without a repair the leak would have likely progressively gotten worse and likely caused additional damage. And this would have likely been evident at the 2024 MOT, which was carried out around the time the car was supplied to Mr K. But the car passed its 2024 MOT without any advisories. On balance, I'm not persuaded that the oil leak was present or developing at the point of supply.

I think it's also important to note that SV said while Mr K may be able to request assistance from the trader relating to the oil leak, in their view the extent of the current failures suggested broader age and wear-related issues. In summary, I'm not persuaded that the issue with the head gasket which resulted in engine failure was present or developing at the time the car was supplied to Mr K. Had there been an underlying defect at the time the car was supplied, I consider it more likely than not that the car would have failed much sooner than it did and Mr K would not have been able to drive the approximate 5,700 miles between it being supplied and its failure. And given the car's age and overall mileage, I don't consider that it has failed prematurely. So, having carefully considered everything I'm upholding Mr K's complaint as I'm not persuaded the car supplied to Mr K was of unsatisfactory quality.

### **My final decision**

For the reason given, I don't uphold Mr K's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 3 September 2025.

Anja Gill  
**Ombudsman**