

## The complaint

Mr F complains about problems he has had with a car RCI Financial Services (“RCI”) supplied to him under a hire purchase agreement.

## What happened

The facts of this case are familiar to both sides, so I don’t intend to repeat them again in detail here. Instead, I’ll provide a brief summary.

Mr F entered into a hire purchase agreement with RCI in January 2022 to purchase a car. The cash price of the car was £20,670.68. The total amount of credit was £18,346.79 and the total amount due under the agreement, including interest and charges, was £26,051.09 to be repaid through 47 monthly instalments of £307.92, followed by a final optional repayment (depending on whether or not Mr F wished to return the goods) of £8,947.

In November 2023 the car broke down whilst Mr F was driving on the motorway - and it was towed to Mr F’s home. It was recovered by Business A. The vehicle was diagnosed as needing a replacement engine and was sent in for repairs.

In late January 2024, Mr F received the vehicle back. Since then, the vehicle has been sent into the garage on a further three occasions (in April, June and October 2024) because of various issues – including problems with the air conditioning, engine warning light and engine oil leakage - some of which appear to remain unresolved despite attempted repairs.

In June 2024, Mr F complained to RCI about the quality of the vehicle. In doing so, Mr F said he felt he should be allowed to reject the car and be released from the agreement. He also said he felt he was due compensation to cover costs incurred whilst he was without the vehicle, as well as a refund of all repayments made during the time the vehicle was either in the garage waiting for repair or unusable whilst he was waiting for a repair date.

On 21 August 2024, RCI issued a final response to the complaint. In short, it said that the dealership had carried out repairs to fix the engine oil leak – at no cost to Mr F – and, therefore it didn’t think it needed to do anything further to resolve matters.

A few days later, Mr F says the vehicle experienced another breakdown and the vehicle had to be towed back to his home. Mr F contacted RCI again to request the complaint be reopened. In the event, RCI opened up a new complaint.

On 22 November 2024, RCI sent Mr F a new final response letter. In short, it said that the vehicle had been repaired and – based on the information supplied by the repairing dealership and the manufacturer – it was satisfied the *vehicle supplied to [Mr F was] fit for purpose*. Therefore, it did not uphold Mr F’s complaint however it did offer reimbursement of one monthly finance payment (totalling £307.92) *for the distress and inconvenience caused*.

Unhappy with this, Mr F referred his complaint to our service. One of our investigators looked into what had happened and, in March 2025, issued their findings. In short, our

investigator said he thought the complaint should be upheld because the *vehicle supplied to him was of unsatisfactory quality and because the engine wasn't durable*.

RCI didn't agree and, in doing so, provided some more information. As a result, the complaint was reviewed again by another investigator who issued their findings in April 2025. In short, our investigator said, taking into account the mileage incurred, and the time passed since Mr F took possession of the vehicle, it was more likely than not that the fault (with the engine) was not present or developing at the point of supply. Therefore, she did not uphold the complaint.

Mr F did not agree with our investigator and, in doing so, provided his reasons why.

As an agreement couldn't be reached, the complaint has been passed to me to review afresh.

### **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 do not think this complaint should be upheld. I know this will come as a disappointment to Mr F, but I'll explain why I think this is a fair outcome in the circumstances.

However, before I do, I would like to make it clear that whilst I've carefully thought about everything that has been said and provided by both parties, I won't comment on everything in my decision. This is not intended as a discourtesy to either party, but it reflects the informal nature of this service in resolving disputes.

The agreement in this case is a regulated consumer credit agreement. As such, this service is able to consider complaints relating to it. RCI was also the supplier of the goods under this type of agreement, and responsible for a complaint about their quality.

The Consumer Rights Act 2015 is of particular relevance to this complaint. It says, amongst other things, that every contract to supply goods is to be treated as including a term that the quality of the goods is satisfactory.

The Consumer Rights Act 2015 says the quality of goods is satisfactory if they meet the standard that a reasonable person would consider satisfactory taking into account any description of the goods, the price and all the other relevant circumstances. So, it seems likely that in a case involving a car, the other relevant circumstances a court would take into account might include things like the age and mileage at the time of sale and the vehicle's history.

The Consumer Rights Act 2015 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.

RCI did not supply Mr F with a new car here. The car was around two and a half years old and had travelled just over 20,400 miles at the point of supply. And while it was certainly not an inexpensive car – the price was a good deal less than it would have been new.

So, I think it is fair to say that a reasonable person would expect that it would not necessarily perform as well as a new car. And there would be a risk – if not an inevitability - of wear and repairs arising from previous use and maintenance by former users. In other words, there's a greater risk this car might need repair and/or maintenance sooner than a car which

wasn't as road-worn.

I don't think there's any dispute that Mr F has experienced problems with the car – including with the engine, air conditioning and the multimedia system. This has been well evidenced by both Mr F's detailed testimony and the information both he and RCI has sent us, including the invoices and job cards from the repairing garage.

But the simple existence of faults in itself isn't enough to hold RCI responsible for repairing the car or accepting its rejection. The legislation says that this will only be the case if the fault was present or developing at the point of supply.

Under the Consumer Rights Act 2015, where a fault occurs within the first six months, it is assumed that the fault was present or developing at the point of supply and its generally up to the business to put things right. The business is allowed one opportunity to repair the fault. If the repair isn't successful, the consumer can reject the car. After six months the burden of proof is reversed and it's up to the consumer to show that the fault was present or developing at the point of supply. I've kept this in mind when considering this matter.

Bearing in mind the overall age and mileage of the vehicle - including the additional mileage Mr F covered in the car - my starting point is that it is not immediately obvious that the issues raised are inherent defects.

The first problem Mr F encountered with the vehicle was when it broke down whilst he was driving on the motorway. This took place in November 2023 – around 22 months after Mr F had taken ownership of it during which time the vehicle had travelled approximately 20,000 miles. A job card from December 2023 – during the repairs - states:

*Customer concern of engine poor running. Vehicle recovered in, investigated and found thermostat housing leaking and engine coolant expansion tank empty. Carried out pressure test on cooling system, leak coming from split in thermostat housing. Thermostat housing requires replacing due to failure of part. Advice replacing engine due to engine overheating and stopping.*

I accept that certain things like issues with the engine are more significant matters to come across and more costly to repair. And I am sorry to hear about the issues that Mr F has had with the car. However, I do have to consider that from the evidence available these took a considerable time to develop from the point he got it and after the vehicle had travelled a reasonable number of miles. Therefore, some wear and tear repairs would be normally expected especially to items like the thermostat housing which might deteriorate over time.

With this in mind – and in the absence of persuasive evidence to suggest otherwise – I am minded to conclude that it is more likely than not that the fault was not present and developing at the time of supply. It follows that I don't think this clearly shows the car was of unsatisfactory quality at the time of supply.

Notwithstanding this, it is my understanding that the selling dealership completed a full engine replacement at no direct cost to Mr F.

In the months that followed, Mr F noted problems with the air conditioning and multimedia system. These appear to relate to more regularly serviceable parts. With this being the case – and bearing in mind I don't have persuasive evidence to identify these faults and show they mean the car was of unsatisfactory quality at the point of supply - I don't consider RCI has acted unfairly by not taking responsibility for repairs or rejection of the car.

In June 2024, the vehicle required a replacement front timing tensioner cover which was established to be a component failure. This was covered under warranty and the part was replaced at no cost to Mr F.

Further, I understand there were oil leaks in June and November 2024. A problem with an oil leak seal was identified and fully repaired at no cost to Mr F. At this point the car had travelled about 44,700 miles and it was over five years old. And Mr F had ownership of the vehicle for around two and a half years and had travelled around 24,000 additional miles. In the absence of persuasive evidence, I don't think there is sufficient reason to conclude that this was a problem that was present or developing at the point of sale. Therefore, I don't think this clearly shows the car was of unsatisfactory quality at the time of supply.

Mr F points to the fact repairs have been carried out and, despite this, he has continued to experience problems with the car. However, RCI would only be responsible for repairing the car if the faults were present or developing at the point of sale – which I am not persuaded was the case here. It appears the repairs were carried out either under warranty or as a gesture of goodwill.

So I don't agree that the fact Mr F has continued to experienced problems post-repairs that he has a right to reject.

### *Durability*

Although the evidence points to the issues with the vehicle not being present at the point of sale I have also thought about durability – which is a factor when considering satisfactory quality under the Consumer Rights Act 2015.

I accept that purely looking at the mileage of this car a reasonable person would not be expecting a car to require a new engine. So, there are some question marks over whether components were reasonably durable in the circumstances here.

However, when buying a second-hand car with existing mileage it is reasonably expected that there is a risk some components might need replacing sooner than on a newer less road worn car. In this case, I note the car was around four and a half years old and Mr F had been using it for nearly two years before any issues arose – during which time the vehicle was driven around 20,000 miles – introducing more variables and difficulty in concluding the car was not of satisfactory quality at the time of supply or sufficiently durable.

Therefore, (and noting the provisions of the Consumer Rights Act in relating to burden of proof) I don't consider it unreasonable in the circumstances here that Mr F would be expected to provide compelling evidence that the car as supplied was not of satisfactory quality. Unfortunately, I don't think evidence has been presented to date that persuasively shows this.

In short, considering the circumstances surrounding this case and noting there isn't persuasive evidence – such as an independent expert report - saying the car isn't reasonably durable, I don't consider RCI need to fairly do anything more in response to this complaint.

### **Summary**

Having thought carefully about everything that has happened, it is difficult for me to make a finding that the car is not of satisfactory quality when considering the nature of the problems, the overall age and mileage of the vehicle and, importantly, the absence of expert evidence in support of this position.

What's more, as I've said, the passage of time and additional mileage since taking ownership introduces more variables and difficulty in concluding the car was not of satisfactory quality at the time of supply, as opposed to other factors – such as components reaching the end of their serviceable life and/or wear and tear.

Looking at all of this in the round, I'm not persuaded that Mr F's car was of unsatisfactory quality when it was supplied. So, I can't hold RCI responsible for the problems Mr F has experienced with it. Therefore, I do not think RCI need to do anything further to resolve this complaint.

I understand Mr F had to travel to garage that was far away from his home which – alongside the frustration and inconvenience caused – also meant Mr F had to take time away from work. For the reasons I've explained, except for the front timing tensioner cover which has been confirmed to be a component failure, I don't think RCI are responsible for the problems Mr F experienced with the car. Therefore, I don't find RCI is liable for the inconvenience and costs incurred effecting repairs (except for replacement of the front timing tensioner cover). I note, in response to Mr F's complaint, RCI offered £307.92 – this being one monthly finance repayment – as compensation for the inconvenience caused by the issues Mr F has experienced. Looking at things in the round, I think this is fair offer in the circumstances and I won't be recommending any further compensation award.

Mr F has cited another decision by our service which, in his view, bears similarities to his case and was upheld. It is important to be clear that each case turns on its own facts and is considered on its own merit. Whilst I can't comment specifically on the case Mr F has referred to, as I've explained above, I'm satisfied that the evidence in this case doesn't support that the vehicle was of unsatisfactory quality at the point of supply.

Finally, I am sorry to hear about the inconvenience and disruption this matter has caused Mr F – particularly with regards to his employment. And I do not doubt that the vehicle breaking down whilst driving on a motorway would have been a frightening experience. I sympathise with Mr F and I know that he is likely to be disappointed by my decision. However, my role here is to resolve disputes informally and in a way that I think is fair and reasonable based on the circumstances. And I don't think the evidence I have seen shows that there was an inherent problem with the car that was present or developing when it was supplied, except for the front timing tensioner cover which, in my view, RCI has satisfactorily resolved.

Mr F does not have to accept my findings and if he wishes he can pursue his dispute through more formal avenues such as court (seeking appropriate legal advice as he sees fit).

### **My final decision**

My final decision is that I don't uphold this complaint as I consider RCI has made a fair and reasonable offer to resolve it. If it has not already done so, RCI must pay Mr F £307.92 as it has offered to do.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 24 July 2025.

Ross Phillips  
**Ombudsman**