

The complaint

Mr B is unhappy that a car supplied to him under a hire purchase agreement with Tandem Motor Finance Ltd was of an unsatisfactory quality.

Mr B has been represented during the claim and complaint process by Mrs B. For ease of reference, I will refer to any comments made, or any action taken, by either Mr B or Mrs B as “Mr B” throughout the decision.

What happened

In June 2024, Mr B was supplied with a used car through a hire purchase agreement with Tandem. He paid a £250 deposit, and the agreement was for £15,243 over 60 months, with 59 monthly payments of £361.39 and a final payment of £371.39. At the time of supply, the car was around nine years old and had done 109,843 miles (according to the MOT record for 23 May 2024).

Mr B says he started to have problems with the car in July 2024, when it started smoking. The car went back to the supplying dealership four times between July and September 2024 for investigation and repair. Unhappy with this, after the car went back for the fourth time, Mr B complained to the broker who’s arranged the finance for him, saying that he didn’t want another repair attempt and asking to be able to reject the car.

Despite this request, the car was repaired, so the broker didn’t agree to rejection. However, the broker said that, if the car failed an MOT test, then they would accept rejection. The car failed an MOT on 11 October 2024 due to a damaged tyre and worn suspension. At the time of this MOT the car had done 114,226 miles – around 4,400 miles since it had been supplied to Mr B.

The broker still didn’t agree with rejection, so Mr B brought his complaint to both Tandem, as the finance supplier, and ourselves.

Tandem arranged for the car to be inspected by an independent engineer. This inspection took place on 13 November 2024. The engineer said there was damage to the tyre and the suspension was worn. The engineer didn’t think the damage to the tyre was present when the car was supplied to Mr B, and they thought the suspension wear was “*age-related general maintenance*.” However, given that Mr B had done less than 5,000 miles in the car, the engineer said that the suspension had “*minimal future life expectancy*.” So, they said that the sales agent was responsible for the suspension repairs.

The broker then arranged for a second independent inspection, which took place on 20 November 2024. The second engineer agreed there was damage to the tyre and that the suspension was worn, but considered these to be “*general maintenance issues*” so they weren’t the responsibility of the sale’s agent.

Based on the findings by the independent engineers, Tandem didn’t uphold Mr B’s complaint and he asked us to complete our investigation. Mr B also had the repairs done to the car in December 2024, at the cost of £817.60.

Our investigator said that both engineers had agreed the worn suspension was due to age related wear and tear. However, they didn't think the car had been supplied in a satisfactory condition when it was supplied to Mr B due to the issues with the smoke, which took four attempts to repair and was only fixed after an unauthorised repair; and that the suspension clearly had minimal life expectancy at the point of supply. So, they thought Tandem needed to do something to put things right.

Taking everything into consideration, the investigator said Mr B should be allowed to reject the car; receive a refund of 25% of the payments he'd made between 23 July and 4 September 2024; receive a full refund of the payments he'd made between 11 October and 20 December 2024; be reimbursed the repair costs in December 2024; receive a refund of the deposit he'd paid; and receive £300 compensation for the distress and inconvenience he'd suffered.

Tandem didn't agree with the investigator's opinion, and thought that, in a car that had already travelled 109,000 miles, a further 5,000 miles was *more than enough to trigger the breakdown of a part that may not have required replacement at the point of sale.* They also thought the second engineer's comments implied they agreed with this conclusion.

The investigator explained that, while this may be the case, it doesn't change the fact that Mr B had asked for the car to be rejected after three unsuccessful attempts to repair the smoke issue, and this should've been accepted at that point. So, had rejection been allowed, the suspension issue would have been irrelevant.

While Tandem were considering the investigator's comments, the engine management light on the car came on. A diagnostic by a breakdown company identified multiple fault codes relating to the fuel and exhaust systems and recommended that the car wasn't driven until repairs had been completed. Mr B was quoted over £1,000 for these repairs.

Following a review of the first engineer's report, Tandem changed their view and accepted the investigator's opinion. However, by this point, Mr B had had the repairs to the car completed at a cost of £1,055.34. The investigator didn't think these repairs would've been necessary had Tandem acted sooner, so they issued a revised opinion saying that Tandem were also responsible for reimbursing the costs of these repairs.

Tandem didn't agree with this, and thought it was unfair they were being asked to pay for repairs if Mr B wasn't keeping the car. So, they said that Mr B should now keep the car and they would cover the costs of all the repairs and increase the compensation to £500. Mr B didn't agree to this, as he'd lost all confidence in the car. So, this matter has been passed to me to decide.

While this matter was waiting to be allocated for a decision, the car developed a coolant leak and Mr B stopped using 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 done so, I've reached the same overall conclusions as the investigator, and for broadly the same reasons. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome. Where evidence has been incomplete or contradictory, I've reached my view on the balance of probabilities – what I think is most likely to have happened given the available evidence and wider circumstances.

In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and (if appropriate) what I consider was good industry practice at the time. Mr B was supplied with a car under a hire purchase agreement. This is a regulated consumer credit agreement which means we're able to investigate complaints about it.

The Consumer Rights Act 2015 ('CRA') says, amongst other things, that the car should've been of a satisfactory quality when supplied. And if it wasn't, as the supplier of goods, Tandem are responsible. What's satisfactory is determined by things such as what a reasonable person would consider satisfactory given the price, description, and other relevant circumstances. In a case like this, this would include things like the age and mileage at the time of sale, and the vehicle's history and its durability. Durability means that the components of the car must last a reasonable amount of time.

The CRA also implies that goods must conform to contract within the first six months. So, where a fault is identified within the first six months, it's assumed the fault was present when the car was supplied, unless Tandem can show otherwise. So, if I thought the car was faulty when Mr B took possession of it, or that the car wasn't sufficiently durable, and this made the car not of a satisfactory quality, it'd be fair and reasonable to ask Tandem to put this right.

The basic facts of this case are undisputed – Mr B was having problems with the car, and, after three unsuccessful repairs, he asked to be able to reject this. The CRA allows for a single chance of repair and for rejection if that single chance of repair was unsuccessful. However, despite Mr B's request, the car was repaired instead.

The car has since developed further faults. The issue with the suspension was confirmed by an independent engineer to be Tandem's responsibility and Tandem eventually agreed to allow Mr B to reject the car as a result. They also agreed to cover the costs of the suspension repair, which had taken place before they agreed to allow rejection. As such, I'm satisfied I don't need to consider the merits of this issue within my decision. Instead, I'll focus on what remains in dispute – what Tandem should do to put things right, and whether that includes the costs associated with the subsequent issues with the car.

Putting things right

As stated above, Tandem initially didn't agree with the investigator's opinion that Mr B should be allowed to reject the car. While they were considering this point, the car developed a further issue and Mr B was quoted over £1,000 for the repair. Tandem had initially asked for the matter to be sent to an ombudsman for decision and, on 16 April 2025, they asked for this request to be cancelled.

The investigator wrote to Tandem the same day, explaining that the car had been booked in for repair on 22 April 2025, and asking for their confirmation they agreed to Mr B rejecting the car. The investigator explained that an urgent response was required, so these repairs could be cancelled. Despite knowing of the urgency of their response, and when the repairs were scheduled, Tandem waited until 23 April 2025 – the day after the repairs had taken place – before confirming they accepted rejection of the car.

I'm satisfied that Tandem unreasonably delayed in responding to the investigator, and in doing so this directly cost Mr B £1,055.34 for the repairs to the car, repairs that wouldn't have needed to take place if Tandem had acted sooner. So, I think it's only fair that Tandem cover the cost of these repairs. I've also noted that, when taking the car back, Tandem will benefit from these repairs by way of the amount the car will likely fetch at auction.

I've also considered the additional fault with the car – the split hose causing a coolant leak – and the issues this has caused Mr B. In doing so, I've had regard to the age and mileage of the car, as well as the fact that this sort of issue would likely be caused by general in-service wear and tear.

While I appreciate that, had rejection been allowed earlier, Mr B wouldn't have been impacted by this fault; he was still using the car as his family's main transportation so he should be liable for any ongoing maintenance required – which would include things like replacing split hoses. So, I won't be asking Tandem to cover any costs related to this fault with the car, including any alternate transportation costs Mr B may have incurred by his decision not to have the car repaired.

Therefore, if they haven't already, Tandem should:

- end the agreement with nothing more to pay;
- collect the car at no cost to Mr B;
- remove any adverse entries relating to this agreement from Mr B's credit file;
- refund the deposit Mr B paid (if any part of this deposit is made up of funds paid through a dealer contribution, Tandem is entitled to retain that proportion of the deposit);
- refund 25% of the payments Mr B made between 23 July and 4 September 2024, to account for the impaired usage he'd had of the car while repairs were being undertaken to try and fix the smoke issue;
- refund 100% of the payments Mr B made between 11 October and 20 December 2024, to account for when Mr B didn't have use of the car due to the suspension issue;
- upon receipt of proof of payment, reimburse Mr B the £1,872.94 costs of the repairs that took place in December 2024 and April 2025;
- apply 8% simple yearly interest on the refunds/reimbursements, calculated from the date Mr B made the payments to the date of the refund[†]; and
- pay Mr B an additional £300 to compensate him for the trouble and inconvenience caused by being supplied with a car that wasn't of a satisfactory quality (Tandem must pay this compensation within 28 days of the date on which we tell them Mr B accepts my final decision. If they pay later than this date, Tandem must also pay 8% simple yearly interest on the compensation from the deadline date for settlement to the date of payment[†]).

[†]If HM Revenue & Customs requires Tandem to take off tax from this interest, Tandem must give Mr B a certificate showing how much tax they've taken off if he asks for one.

My final decision

For the reasons explained, I uphold Mr B's complaint about Tandem Motor Finance Ltd. And they are to follow my directions above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 23 July 2025.

Andrew Burford
Ombudsman