

The complaint

Mr H complains about the quality of a used car he acquired through a hire purchase agreement with Blue Motor Finance Ltd ('Blue Motor'). Mr H says that when he acquired the car it was faulty. He thinks it was mis-sold to him as he wasn't told about these faults before he bought it.

What happened

Mr H's complaint is about the quality of a car he acquired in March 2024. The car was used, and it was first registered in April 2013. So, it was about 11 years old when Mr H received it. It had travelled over 68,000 miles.

Mr H acquired the car using a hire purchase agreement that was started in March 2024. The vehicle had a retail price of £8,195. All of this was financed. This agreement was to be repaid through 58 monthly instalments of £221.35 with a final purchase fee of £1 payable at the end of the contract. If Mr H made repayments in line with the credit agreement, he would need to repay a total of £12,839.30.

Mr H has complained about the quality of the car. Below is a summary of the issues complained about by Mr H and the investigation and repair work that has been carried out by the dealership and another garage, alongside what has happened in respect of the complaint.

Mr H says that when he acquired the car, he noticed some of the front of it was damaged and he took it to a bodyshop. I've seen the report produced in May 2024, which included a quote for the work needed, which said that:

'Upon stripping the front bumper we have found that the right lock carrier support is kinked.

The front bumper support bar has had an impact and is damaged.

The front upper grille support is cracked and the lower air guide is missing.

There is also a dent on the left front sill section.'

Mr H contacted the dealership in May 2024 to say that he had some concerns with the car. He thought it had been in an accident and there was damage to the front of it, particularly around one of the lights. And he felt that the car was not 'simply superb' as described in the advertisement.

Mr H also raised some other damage and imperfections to the car such as some scratches to the doors, one of the rear panels is a slightly different colour to the rest of the car and there is a burn mark, or marks, in the interior. He said the alloy wheels were blistered and needed refurbishment or repainting.

Mr H complained to Blue Motor in May 2024 about the quality issues he had identified. Blue Motor arranged for the car to be considered by a third party car inspection business. The report was produced in June 2024 and it identified that the car had several problems that were due to an earlier accident, these were:

- There was a cracked headlight casing with missing brackets.
- The headlight had corroded connectors due to water ingress.
- The inner front grille surround behind the front bumper was cracked along the joints of the front panel. This had been repaired and was showing abnormal and uneven panel gaps.
- The lower radiator shroud was cracked.
- The rash bar behind the front bumper had some impact damage on one of the corners.
- The bonnet had been repainted, but there were blistering and preparation marks visible and some rusting.

And this report concluded that:

'In our opinion the vehicle has evidently suffered from significant collision impact to the frontal area, and the repairs are of a poor quality. This has allowed moisture ingress into the headlamp and wiring harness.'

And that the damage would have been present at the time of sale and that this made the car not of satisfactory quality.

In July 2024 Blue Motor considered the complaint. It said that the photographs before the car was sold didn't show this damage. It didn't think that Mr H should reject the car as more than 30 days had passed since the issues were brought to its attention and the damage was mostly cosmetic. But it did agree to assist with the repairs that were needed to the front of the car.

Mr H didn't agree with this and brought this complaint to the Financial Ombudsman Service.

Our Investigator agreed that, regarding the accident damage, repairing the car was the right way to rectify the problems with this part of the car and this should be arranged.

Blue Motor asked for confirmation of what it should exactly repair. Our Investigator clarified the poor repair work to the front of the car, as had been detailed in the report, should be brought up to an acceptable condition. Mr H has said the repairs due to the accident are arranged and will happen in due course.

Our Investigator didn't think the damage to the other parts of the vehicle such as the doors, the rear panel, the wheels and the upholstery should be repaired. This was because these were relatively minor 'cosmetic' issues that would have been visible to Mr H when he inspected the car before he acquired it.

Our Investigator didn't think that there was enough to say that Mr H was misled at the time of sale. Mr H thinks that describing the car as 'simply superb' was wrong, given the problems with it. But our Investigator thought this description was subjective, and Mr H did have an opportunity to inspect the car before he acquired it.

Mr H remains unhappy, in the main, that the rear panel discolouration and interior damage are not being repaired. And he still believes he was misled at the time of sale. Mr H and Blue Motor would like a decision on repairing, or providing compensation for, the remainder of the issues with the car. And whether Mr H was misled at the time of sale. So, this matter has been passed to me to make a final decision.

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.

In considering what is fair and reasonable, I need to have regard to the relevant law and regulations, regulators' rules, guidance and standards, codes of practice and (where appropriate) what I consider was good industry practice at the relevant time.

The agreement in this case is a regulated hire purchase agreement – so we can consider a complaint relating to it. Blue Motor as the supplier of the goods under this type of agreement 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 – considering 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 consider might include things like the age and mileage at the time of sale and the car's history.

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 this.

This car was over 11 years old when Mr H acquired it, and it had travelled around 68,000 miles. I think a reasonable person would accept that such a vehicle would probably have some parts that are worn and would need replacing sooner or later, and that the appearance and finish of the car may not be 'perfect' – which is reflected in the lower price paid in comparison to a new vehicle.

Was there a fault with the car and was it of satisfactory quality

The independent report has established that there was some impact damage to the car and that this had been poorly repaired. The report went on to say that the car was likely not of satisfactory quality due to this, and I think this is now agreed in respect of the accident damage.

The remaining dispute is about the other issues that are present with the car and how the car was described at the time of sale.

As I've mentioned above, Mr H has noted that some other aspects of the car are damaged and are showing signs of wear and tear. These are, in the main, the alloy wheels, one of the back panels is a slightly different colour to the other parts of the car and there is some burn damage to the interior.

I can see these issues have been referred to as 'cosmetic' damage and that this has been given as reason why they shouldn't be repaired (as opposed to mechanical damage). I don't agree with this because, as I've noted above, the CRA does talk about 'fit and finish' being aspects of the quality of goods. I think 'cosmetic' or 'fit and finish' problems could lead to a car not being of satisfactory quality.

But I don't think this is the case here. This is because this was a used car that had travelled a significant number of miles before Mr H acquired it. This kind of damage is often present on a car of this age and mileage and is, in some respects, to be expected. I don't think these other imperfections mean that this car wasn't of satisfactory quality, and I don't think that Mr H should be provided with compensation, or repairs, for these issues due to the quality of them.

Was Mr H misled at the time of sale

Mr H says he was given misleading information about the car in the advert the dealership used. This is because it described the car as being 'simply superb'.

I understand that Blue Motor wasn't a party to some of the sales negotiations, and it may not have been aware of what was discussed between Mr H and the dealer. But it can still be responsible for what was discussed and the information that Mr H was provided by a broker and car dealer. This is because section 56 of the Consumer Credit Act 1974 establishes that a finance company can be held responsible for antecedent negotiations carried out by their agent that take place before the agreement is entered into.

I haven't seen the original advertisement, and I understand a copy of this is no longer available. And of course, the accident damage would make it reasonable to say the car wasn't properly described overall. But reasonable compensation has been agreed and arranged for the accident damage. So, I've again thought about the other issues Mr H has raised.

I think that this phrase itself is not enough to uphold Mr H's complaint about how the car was described. It isn't a factual description of the car; it is a form of wording that conveys someone's opinion about the quality or attractiveness of it. But this is open to interpretation and will vary from person to person. Clearly one person's 'superb' may not be the same as another. And this is an advert for a car, so you would expect the positive features of the vehicle to be prominent.

Added to this Mr H was able to inspect the car before he acquired it. And these are the kind of issues that would have been visible then. Mr H has accepted that he perhaps could have spent more time considering the car when he did this. But given what he has said was in the advert, and that he saw the car to assess the condition of it himself, I don't think it's reasonable to say that he was misled about the 'non accident related' issues with the car.

So, I agree that the car wasn't of satisfactory quality, and likely wasn't properly described, but this is in relation to the poorly repaired accident damage only. A reasonable remedy is that this is properly repaired. My decision is that these repairs should be completed, if they have not already been.

I'm not making a further award than this

My final decision

Blue Motor Finance Ltd has already agreed to repair the damage to the front of the car due to a previous accident. I think this is fair in all the circumstances.

So my decision is that Blue Motor Finance Ltd should ensure these repairs are completed to an acceptable standard, if they have not been already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 25 June 2025.

Andy Burlinson
Ombudsman