

## **The complaint**

Miss B complained about the quality of a car provided on finance by Blue Motor Finance Ltd ("BMF").

## **What happened**

BMF supplied Miss B with a used car on a hire purchase agreement in January 2024. The cash price of the car was around £6,600 and it had covered around 83,400 miles since first registration in January 2016. The hire purchase agreement required payments of around £200 for 48 months. Miss B paid a deposit of around £100.

Miss B said the EML light came on in June 2024 and the car broke down. A diagnostic showed that the turbo had failed. She complained to BMF, and the mileage was reported at around 94,000.

BMF commissioned an independent report which indicated that the fault wasn't present at supply due to several factors. The expert said that the car was displaying substantial congealed and contaminated oil, which was indicative of a lack of maintenance. It suggested that the service records should be checked as lack of servicing would contribute to the issues found. The report indicated the mileage was recorded as around 95,400. It also indicated that a service was overdue and due to the time and mileage that had elapsed it didn't consider the defects to have been present at supply. BMF ultimately didn't uphold the complaint.

An investigator here considered the complaint. He thought that the condition of the oil must have been developing over tens of thousands of miles, rather than because Miss B hadn't maintained the car. He recommended Miss B should be allowed to reject the car and the contract unwound.

Miss B broadly agreed. She said that the dealer lied when it said the car was serviced and she hadn't expected to have to service it so soon. Miss B said she was stressed and upset. She said she lost her job and as a single parent she was left in severe financial difficulties. She said she had to use food banks, and she wasn't supported by BMF.

BMF disagreed. It accepted there was a fault with the turbo, but the report confirmed that wasn't present at the point of supply. It said that Miss B ought to have maintained the car considering the mileage, and it should have been serviced while in her use, which should have then picked up the problem.

The complaint was passed to me to make a decision. I issued a provisional decision which said:

*I've read and considered the evidence submitted by both parties, but I'll focus my comments on what I think is relevant. If I don't comment on a specific point, it isn't because I haven't considered it, but because I don't think I need to comment in order to reach what I think is the right outcome. This is not intended as a discourtesy but reflects the informal nature of this service in resolving disputes.*

*Firstly, I am very sorry to hear about the difficulties Miss B has described to this service. She's explained the impact this has had on every aspect of her life. I acknowledge this and I can't imagine how she must be feeling but thank her for bringing her complaint.*

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

*The Consumer Rights Act 2015 (CRA) is of particular relevance 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".*

*The CRA says the quality of goods are 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. In a case involving a car, the other relevant circumstances might include things like the age and mileage at the time of supply 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.*

*BMF aren't required to supply a working car for the whole of the agreement. Unfortunately, due to the nature of mechanical engineering sometimes things go wrong that can't be anticipated, and it is the consumer's responsibility to pay for maintenance and repairs. But the goods do need to be of satisfactory quality at the point of supply.*

*What I have to bear in mind is that just because I've seen there were faults with the car, this doesn't necessarily mean the car wasn't of satisfactory quality when it was supplied to Miss B – which is what I need to decide. I'd need to see sufficient evidence the faults made the car of unsatisfactory quality when it was supplied to Miss B. The problem I have is that I've not seen enough evidence to determine that's the case.*

*Miss B supplied a diagnostic from her own mechanic and although it determines what the problem is and how much it would cost to repair; it doesn't indicate the cause or whether the fault was present or developing at the point of supply. I take on board our investigator's opinion that the condition of the oil would likely have been developing over tens of thousands of miles. But I'm also mindful that the expert who actually saw the car would have also had an opinion on how long this would take, and other factors that might influence the fault he was inspecting. I've also seen varying opinions on this matter, and not enough for me to conclude on the balance of probabilities that the car was of unsatisfactory quality given its age and mileage at the point of supply.*

*This was a used car and there is an expectation that there is likely to be some wear and tear on the components of a car with that age and mileage. The report states that there was likely engine damage induced by wear of the turbocharger bearing as a result of the poor condition of the lubricant. I'm not persuaded that wear of the turbocharger bearing at this stage necessarily made the car not of satisfactory quality at the point of supply.*

*The difficulty is that there are lots of moving parts in a car, wear of the turbocharger bearing is impacted by friction, and if there were other issues that could've impacted its durability. I've thought about the conditions that might impact the lifespan of the part the expert has indicated. Servicing can impact the lifespan of key parts of the car.*

*The manufacturer recommends the car should be serviced every year or every 12,000 miles whichever is sooner. We don't have any record of the servicing history, other than Miss B's statement that she was told the car was freshly serviced before she acquired it.*

*Unfortunately, the car has now been returned following Voluntary Termination, so it is not possible to interrogate the servicing history further. The advert for the car said it was an "excellent example", but it didn't make any statements about the service records.*

*As this was a used car there is no requirement for there to be a perfect service history. And it seems likely that a lack of maintenance at various stages in the car's usage might have contributed to the wear and tear which led to the engine damage. I can't be sure that the car was serviced before it was supplied, but also there's insufficient evidence that Miss B was promised there would be one. Moreover, it seems as though given the mileage undertaken, a further service might have been due. It could mean that there were other missed services, so the car might not have been maintained in line with the manufacturer requirements for quite some time. It's an inherent risk in buying a second-hand car that parts might be more road-worn and might require replacement sooner, especially if the servicing history is unknown.*

*Even if the car had been freshly serviced as Miss B was told, I would need to see something which indicated that the service or pre-delivery inspection carried out by the selling dealer wasn't carried out in a competent manner. As we don't have any record of servicing, it might also have been prudent for Miss B to consider additional maintenance requirements given her own high mileage in such a short space of time, in line with the manufacturer recommendations.*

*Given the lack servicing history here I find it hard to safely conclude that it is more likely than not that the turbocharger bearing failed prematurely which has then led to the catastrophic engine failure. Even if I accepted that the bearing failed prematurely it could have been caused by something other than an inherent fault.*

*It would be difficult to say that a car that had reached 95,000 miles wasn't sufficiently durable. I also underline the factors I have already pointed out when buying a second-hand car including the fact it had already travelled significant mileage at the point Miss B was supplied it and the higher risk of unexpected repairs.*

*I don't think I can infer that the car wasn't durable. Considering all the factors here, the age, price, mileage, service history, and taking into account the mileage covered by Miss B prior to the fault, I can't conclude it wasn't of satisfactory quality at the point of supply.*

*Considering the length of time the car had been with Miss B, and the requirements of the CRA, I think BMF acted fairly in arranging the report. The report indicated that there was a fault with the car and indicated it was most likely due to a general lack of maintenance. But most importantly the report set out that the car likely conformed to the contract at the point of supply. The report was written by an independent expert with details of their credentials and a statement to the court. So, I find it persuasive. And based on the evidence before me I don't find I have grounds to say BMF reached unfair conclusions off the back of the report.*

*I fully appreciate that my decision will come as a disappointment to Miss B, and I'm sorry about that. But I don't yet find I have grounds to direct BMF to allow her to leave the agreement.*

*Miss B has told us the car has been returned, and she's been left with the debt. BMF have told us that the agreement was Voluntary Terminated after it issued the final response. BMF*

*said that this happened with Miss B's agreement. I haven't dealt with that in my decision because it wasn't part of the original complaint. So, if Miss B is unhappy with how BMF dealt with that, she can make a further complaint. I remind BMF that it should treat Miss B with forbearance and due consideration.*

Miss B disagreed with the provisional decision but didn't add anything further. BMF didn't respond to the provisional decision. I'll now go on to make my 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.

On the basis I don't consider I've been provided with any further information to change my decision I still consider my findings to be fair and reasonable in the circumstances.

As a reminder Miss B doesn't have to accept my decision. She's free to pursue the complaint by other means, such as through the courts, if she wishes.

Therefore, my final decision is the same for the reasons set out in my provisional decision.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 30 June 2025.

Caroline Kirby  
**Ombudsman**