

The complaint

Mr R is unhappy a van supplied to him under a hire purchase agreement with Oodle Financial Services Limited (Oodle) was of unsatisfactory quality.

When I refer to what Mr R or Oodle have said or done, it should also be taken to include things said or done on their behalf.

What happened

In February 2024, Mr R acquired a used van through a hire purchase agreement with Oodle. The van was first registered in January 2017 and the sales invoice confirmed it had travelled around 87,500 miles. The cash price of the van was £11,995 and he paid a deposit of £21. The amount of credit was for £11,974 and the duration of the agreement was 60 months; with a first payment of around £409, followed by 58 monthly payments of around £359 and a final payment of around £409.

Nine days after collecting the van, it broke down and was recovered. The breakdown report confirmed there was smoke coming from the van and the turbo was leaking. Oodle say Mr R arranged the repairs and the invoices were paid by the supplying dealership.

In May 2024, Mr R took the van to a third-party garage in limp mode and with a fluid leak. Further repairs were carried out, at no cost to Mr R, including the turbo, fuel injector, steering fluid pipes, steering rack, track rod ends and arms, brake pads, tyres and rear wheel hub.

In June 2024, diagnostics were carried out for loss of power, which was found to be a turbo related issue. The turbo was replaced at a cost of around £1,200. The brake vacuum pump was also renewed in July 2024 for around £273.

In August 2024, Mr R was quoted around £1,120 for repairs to the driveshaft, sensor and torque restrictor. Oodle arranged an independent inspection which found these issues wouldn't have been present or developing at point of supply, and there was no evidence of previous poor repairs – so they didn't uphold his complaint. Following this, Mr R's agreement was voluntary terminated.

Our Investigator reviewed matters and initially thought Mr R's complaint shouldn't be upheld. They said based on the independent report, the faults on Mr R's van were the result of normal age-related wear and tear. On further review, the Investigator changed his view, noting conflicting information within the independent report regarding previous poor repairs. They said a multitude of works had been carried out on the van and wouldn't expect core van components to wear to the level they had within such a short space of time, so was persuaded they were present or developing at point of sale and would've been noticeable when previous repairs were carried out. The Investigator thought Oodle should accept rejection of the van with nothing further to pay, refund repair costs and payments to reflect loss of use plus interest, pay £100 compensation for distress and inconvenience and remove any adverse information from his credit file.

Oodle didn't agree and provided further information that confirmed the mention of poor

repairs within the independent report was an error. They said Mr R had travelled 15,000 miles in the van and used it for deliveries, which involves constant braking. And Mr R chose to acquire a used van knowing there was a higher risk of parts failing prematurely due to its intended use.

In May 2025, I issued my provisional decision outlining my intentions to partially uphold the complaint, I said:

In considering this complaint I've taken into account 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 R was supplied with a van under a hire purchase agreement. This is a regulated consumer credit agreement which means we are able to investigate complaints about it. The Consumer Rights Act 2015 (CRA) covers agreements such as the one Mr R entered into. Under this agreement, there is an implied term that the goods supplied will be of satisfactory quality. The CRA says that goods will be considered of satisfactory quality where they meet the standard that a reasonable person would consider satisfactory – taking into account the description of the goods, the price paid, and other relevant circumstances.

Mr R acquired a van that was around seven years old and had covered around 87,500 miles. Its cash price was £11,995. So, what would be considered satisfactory quality would be considerably different to if Mr R had acquired the same van brand new and at a greater cost. As this was a used van with considerable mileage and age, it's reasonable to expect parts may already have suffered wear and tear, and would need to be replaced sooner, when compared to a new van or one that is less travelled. So, Oodle wouldn't be responsible for anything that was due to normal wear and tear while in Mr R's possession.

However, the van's condition at the point of supply, should have met the standard a reasonable person would consider satisfactory - considering its age, mileage and price. The CRA says the aspects of the quality of the goods includes their general state and condition, alongside other things such as their fitness for purpose, safety, and durability. So, if I thought the van was faulty when Mr R took possession of it, or that the van wasn't sufficiently durable, and this made the van not of a satisfactory quality, it'd be fair and reasonable to ask Oodle to put this right.

Turbo

The van broke down nine days into the agreement, which was diagnosed as a turbo issue. Given the short amount of time Mr R had been in possession of the van before it required a turbo repair, I'm satisfied there was a fault with the van when it was supplied. I'm also satisfied that fault meant the van wasn't sufficiently durable and therefore wasn't of satisfactory quality when it was supplied – meaning there was a breach of contract. And this isn't disputed by Oodle, who accepted responsibility for the repairs.

The CRA provides a short term right to reject the van within the first 30 days if it was of unsatisfactory quality. Outside of the first 30 days, the right to reject may only be exercised if the goods don't conform to contract after one repair or replacement.

Here, Mr R agreed to the van being repaired. And while it seems the first turbo repair did fail, and required further repair in May 2024, the repairs carried out this time were done at no cost to Mr R, which I think was reasonable. Mr R also ultimately agreed for these repairs to go ahead, so he could only exercise his right to reject if, following repair, the van remained of an unsatisfactory quality.

Only a month later, the van required a third repair to the turbo. This was carried out by a third-party garage and funded by Mr R. This took place around the same time Mr R complained to Oodle about the quality of the van, and before they'd had the opportunity to investigate the matter and respond.

Again, as Mr R arranged for the van to be repaired, he could only exercise his right to reject it, following repair, the van remained of an unsatisfactory quality.

An independent inspection of the van was carried out in August 2024. The engineer noted some faults, which I'll go on to cover later, but confirmed the turbo operated as expected for the van's type, age and mileage.

A report from Mr R's nominated garage also noted that they'd inspected the van in August 2024, and while they considered the turbo and vacuum pump had failed prematurely, previous repairs had possibly rectified the root cause of the problem.

I've seen no evidence of an ongoing issue with the turbo following the third repair. So, I find this repair fixed the fault.

Brake Vacuum Pump

Mr R's nominated garage deemed the brake vacuum pump to have failed prematurely. However, this part is subject to wear and tear and I've considered that the van had travelled around 100,000 miles when it required replacement. And Mr R had travelled around 12,500 miles within a five-month period, having used it for delivery driving which requires regular use of the brakes.

So, I find it's more likely than not the brake vacuum pump needed to be replaced because of normal wear and tear and the part coming to the end of its life cycle.

Other faults

The independent engineer identified a large amount of grey and black smoke from the exhaust. They confirmed the outer drive shaft gaiter had split, depositing grease over the wheel speed sensor and surrounding components. And a timing lower cover bolt was snapped causing coolant and oil pipes to be loose and rubbing on the crank shaft pulley.

However, the report confirms these faults wouldn't have been present or developing at the point of supply, and no evidence of failed previous repairs was found. It's also noted that Mr R had covered around 15,000 miles over a 6-month period since he acquired the van.

The engineer confirmed their duty is to the courts, not to the person who instructed or paid for the report. As such, I'm satisfied this report is reasonable to rely upon. I've also not been presented with any persuasive evidence that contradicts the findings of the independent engineer and demonstrates the faults were likely present or developing at the point the van was supplied to Mr R. The report provided by Mr R's nominated garage largely reflects the findings of the independent engineer, with the addition of an ABS sensor fault, excess wear to the engine torque restrictor mounting, and wear of the front lower arm rear bushes. All of these were deemed as commensurate of the van's age and mileage by Mr R's garage.

So, having considered the independent engineer's and Mr R's garage's findings, the age of the van and how far it had already travelled before Mr R acquired it, and the amount of mileage Mr R was able to cover, I'm satisfied there is insufficient evidence to demonstrate any of the faults found after the turbo repairs would make the van of an unsatisfactory quality when it was supplied, or linked to failed repairs.

Putting things right

Having determined the van wasn't of satisfactory quality due to the turbo fault, I've thought about whether Oodle has done enough to put things right for Mr R – and I don't think they have. I'll explain why.

Loss of use

It's unclear how long Mr R was without the van in total here, but based on what I have seen, I think it's more likely than not to be around three to four weeks. The supplying dealership compensated Mr R for loss of wages in February 2024 and based on the income evidence I've seen, the amount paid reflected the average income over around a nine-day period. And in June 2024, there were five days between the invoices for diagnostics and repairs.

I haven't seen any evidence that confirms how long Mr R was without the van while it was being repaired in May 2024. But based on the timescales for the repairs in February and June for the same issue, I think it's likely to have been between one to two weeks.

I therefore would've directed Oodle to refund Mr R one monthly payment, to reflect loss of use due to being supplied with a van that was of unsatisfactory quality. However, Mr R has already been paid around £1,090 for loss of income. So, I have taken that into consideration and also thought about the fact that it's reasonable to expect Mr R to have mitigated his loss by hiring a van if he was relying on one to perform the duties of his occupation – which means that most likely the loss of income would have been significantly lower. So, I don't find it reasonable to ask Oodle to pay anymore in relation to loss of use.

Repair costs

As I find the third turbo repair to be linked to the first two repairs failing, Oodle should refund the amount Mr R paid for this repair.

To reflect the time Mr R was without access to this money, interest should be added to this amount from the date it was paid until the date of settlement. Interest should be calculated at 8% simple per year.

Distress and Inconvenience

Mr R was inconvenienced by having to take the van to a garage to be repaired or inspected multiple times in the space of six months, and needing to be recovered due to the van breaking down. He was left without the van on three occasions, when he was relying on it for work commitments, and wasn't kept mobile with a courtesy van while repairs were carried out. So, I think Oodle should pay £250 in compensation to reflect the distress and inconvenience caused.

As I find all the other issues with the van to be the result of wear and tear, that do not make the van of an unsatisfactory quality when supplied, I don't agree Oodle is responsible for the impact or cost caused by those faults. I realise this will come as a disappointment to Mr R, but for the reasons I've explained, I don't think Oodle need to do anything more than what I've set out above.

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 response to my provisional decision, Mr R confirmed his acceptance, and Oodle said they had no further comments or submissions for my consideration.

As there are no further submissions for me to consider in relation to this matter, I see no reason to alter the conclusions reached in my provisional decision.

That is, Mr R was supplied with a van that wasn't of satisfactory quality due to the turbo fault and Oodle should now put things right as set out within my provisional decision. However, I find all other issues to be the result of fair wear and tear, so I don't think Oodle is responsible for the impact or costs caused by these faults.

My final decision

For the reasons explained, I've decided to partially uphold Mr R's complaint and direct Oodle Financial Services Limited to:

- Refund the cost of the third turbo repair;
- Pay 8% simple yearly interest on the refunded amount - calculated from the date Mr R paid for the repair to the date of the refund†; and
- Pay £250 compensation for the distress and inconvenience caused.

†If Oodle considers that tax should be deducted from the interest element of my award, they should provide Mr R with a certificate showing how much they have taken off so he can reclaim that amount, if he is eligible to do so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 8 July 2025.

Nicola Bastin
Ombudsman