

The complaint

Mr and Mrs M complain about a car supplied under a hire purchase agreement, provided by Auto Accept Finance Limited ('AAF').

What happened

Around July 2023 Mr and Mrs M acquired a used car under a hire purchase agreement with AAF, from a dealer I'll refer to as 'J'. The car is listed with a cash price of £10,169 on the agreement, was around seven years old and had covered around 47,520 miles. Mr and Mrs M paid a deposit of £400 and were due to make repayments of around £278.69 a month for 60 months.

Unfortunately, Mr and Mrs M say the car developed issues. They said it broke down on 9 September 2023. They said it was taken to a garage, who I'll refer to as 'S', which temporarily repaired the car by replacing the ECU, spark plugs and an ignition coil. But Mr and Mrs M say they were told it still needed further work.

In October 2023 Mr and Mrs M complained to AAF. They said the car was not safe to drive and they hadn't used it for about five weeks. AAF arranged for an independent report to be carried out in December 2023, where the mileage of the car was recorded as 48,480. In summary, this said previous repairs had been carried out, but the engine was still misfiring, idling erratically and displaying warning lights.

AAF issued its final response on 14 December 2023. This said due to the contents of the report, J would contact Mr and Mrs M to arrange "*all necessary repairs*" to the car.

Mr and Mrs M say the car was collected and repaired by J in January 2024. J fitted a coil pack, spark plugs and cleared out drains.

But, Mr and Mrs M say at the end of February 2024 the car broke down again. The car was taken to another garage I'll refer to as 'L'. Repairs were carried out in relation to a coolant leak and to the thermostat.

Mr and Mrs M referred the complaint to our service. They reiterated the issues they had with the car. They said they'd had to pay out for trains and taxis. And Mrs M said due to her health conditions and those of her family, the situation had caused her severe emotional distress.

AAF told our service it hadn't had contact with Mr and Mrs M since January 2024 and assumed the car had been working correctly since the initial repair.

Mr and Mrs M confirmed to our service they had not told AAF about the more recent issues. But AAF then still said it was happy for our service to investigate.

Mr and Mrs M then said the car had more issues in June 2024. They provided another invoice from L showing a repair to a wire in relation to the thermostat. In July 2024 Mr and Mrs M said this repair hadn't been successful and provided photos of what they said were

engine management lights illuminated.

Our investigator issued a view and upheld the complaint. She said, in summary, that she was satisfied AAF already accepted the original issue meant the car was of unsatisfactory quality. She thought the fault in February 2024 was not linked to a previous issue so AAF were not responsible. But, she said the later issues from June 2024 were linked to the repair carried out by J, as she thought it should have replaced a wiring loom at the time.

She also said Mr and Mrs M provided evidence of a warning light on the dashboard which showed the car still had faults following the most recent repair.

Our investigator said Mr and Mrs M should be able to reject the car. She said they should get payments back from 9 September 2023 to 4 January 2024, £200 for the cost of recovery, £156 for the cost of the repair in June 2024 and she said that AAF should pay Mr and Mrs M £250 to reflect the distress and inconvenience caused.

AAF responded and said it disagreed. It included some testimony from J and in summary said it didn't believe the recent faults were its responsibility. It pointed to the timescales between the issues and said an engine management light didn't show a fault from the time of supply. It said Mr and Mrs M clearly had use of the car. And it said it was 'absurd' Mr and Mrs M should be able to reject the car at this point.

Following this our investigator asked Mr and Mrs M for some further information about the later issues with the car. They provided a 'fault code check' from August 2024 that showed some fault codes related to "*coolant thermostat heater*".

Our investigator explained to AAF that she thought the fault codes from August 2024 about the coolant thermostat heater showed the issue was related to the wiring loom that she thought should've been replaced in January 2024.

AAF responded and sent an email from the company that performed the independent inspection. This said, "*I can confirm that the replacement of a coil pack on the (model of car from the same manufacturer as Mr and Mrs M's) wouldn't have anything to do with the degradation of a thermostat in the cooling system*".

It also provided comments from J, where in summary it said the issues were not AAF's responsibility.

Mr and Mrs M then responded in March 2025 and said the car had been SORN as it was displaying a warning light and Mrs M was concerned about being prosecuted for driving without due care and attention because of this. She sent another photo of the dash showing what she said was a warning light.

AAF continued to disagree with the outcome. As it remained unhappy, the complaint was passed to me to decide.

I sent Mr and Mrs M and AAF a provisional decision on 7 May 2025. The findings from this decision were as follows:

Mr and Mrs M complain about a car supplied under a hire purchase agreement. Entering into regulated consumer credit contracts such as this as a lender is a regulated activity, so I'm satisfied I can consider Mr and Mrs M's complaint against AAF.

When considering what's fair and reasonable, I take into account relevant law, guidance and regulations. The Consumer Rights Act 2015 ('CRA') is relevant to this complaint. This says,

in summary, that under a contract to supply goods, the supplier – AAF here – needed to make sure the goods were of ‘satisfactory quality’.

Satisfactory quality is what a reasonable person would expect, taking into account any relevant factors. I’m satisfied a court would consider relevant factors, amongst others, to include the car’s age, price, mileage and description. It’s important to note in this case that the CRA explains the durability of goods should be considered as part of satisfactory quality.

So, in this case I’ll consider that the car was used and cost around £10,000. It had also covered not far off 50,000 miles. This means I think a reasonable person would not have the same expectations as for a newer, less road worn car. But, I still think they would expect it to have been free from anything other than reasonably minor defects and would’ve expected trouble free motoring for at least a short time.

What I need to consider in this case is whether I think Mr and Mrs M’s car was of satisfactory quality or not. This case spans some time and there have been multiple issues, so I’ll consider these in turn.

The first issue was when Mr and Mrs M say the car broke down in September 2023. They explained they tried to get hold of J, but were advised to attend a local garage as part of a warranty claim, which is why they took the car to S.

I’ve seen a copy of an invoice from October 2023 from S where the mileage was listed as 48,467. This states:

“Diagnostic engine light on/missfire

Blowing fuse f3 and ignition coil on on (sic) cylinder no1

Testing wiring, compression test, testing ecu found high voltage on signal wire to ignition coil

Require new ECU, Spark plug and ignition coil, tested with the (sic) the new ecu all voltage back to normal,- found another issue with the electrical loom, suspected that this is the case (sic) of all problems with blowing ignition coil and ecu. Temporary fix broken wires but we strongly recommended to replace the full loom for a new as the problem may (sic) come back again.”

The invoice goes on to explain the work done was to replace the ECU, repair the wiring loom, and S charged for an ignition coil and spark plugs. The cost is listed as £703.02.

Following this, Mr and Mrs M explained the car wasn’t driven as they believed it to be unsafe.

I’ve seen a copy of the independent report from December 2023. This recorded the mileage as 48,480. This said:

“The coils and ECU have been replaced.

It can be confirmed that one of the wiring looms had been taped up.

The engineer then started the engine from cold. It started quickly but then began to misfire badly, the idling was very erratic, and the engine speed fluctuated on its own.

During this time the Engine Management light (EML) and ESP lights were illuminated and

the EML flashed on and off several times.

Due to the engines poor operation, no road testing was undertaken.”

“We can confirm that the wiring loom has had a past repair, however it is unclear if the previous repairs could have caused the current symptoms.”

“Without checks under workshop controlled conditions we cannot state the cause of the current symptoms or confirm if the vehicle has suffered from a failed previous repair.”

“there is no doubt the vehicle has a misfire which will require investigation under workshop control conditions to ascertain the cause.”

“having said this the symptoms of all the characteristics of an issue with the body control module which is not a wiring fault (sic).”

I’ve then seen a copy of the job sheet from January 2024 when J carried out repairs. This recorded the mileage as 48,480. This stated:

*“FOUND NUMBER 1 PLUG HOLE FULL OF WATER CAUSING CYLINDER 1 MISFIRE
FIT COIL PACK + SPARK PLUGS CLEAN OUT FRONT SCUTTLE DRAINS”*

I’ve thought carefully about this. There are some differences in opinion between the three parties. But, having reviewed everything, it seems clear to me that Mr and Mrs M’s car developed a fault with the ECU and a misfire. This occurred only around six weeks after they acquired the car. And looking at the mileages involved, it seems like the car had initially covered less than 1,000 miles when it broke down.

I’m satisfied this means this fault was likely present or developing when Mr and Mrs M acquired the car. In any event, even if this wasn’t the case I’m satisfied a reasonable person would consider that this meant the car was not durable. It follows I’m satisfied this means the car was not of satisfactory quality when they acquired it.

The next fault unfortunately occurred shortly after Mr and Mrs M got the car back.

An invoice from L dated 11 March 2024 shows repairs to a ‘coolant leak’ for a total of £361.79. The mileage is recorded as 49,925. This invoice charged for a “radiator temperature switch”, “coolant thermostat inc switch”, “Coolant Housing Inc Switch” and coolant.

Our investigator thought this issue was separate from the earlier fault. And she said this meant AAF were not responsible for this. I agree with the first part of this finding, but not the second. I’ll explain why.

I agree that it appears this was a separate problem to the one that caused the earlier breakdown. From the invoices, no parts seem to be related. But I’ve considered that Mr and Mrs M appear to have only used the car minimally. The mileage from this invoice has increased less than 1,500 since the independent inspection. And the total mileage covered in the car was less than 2,500 miles since Mr and Mrs M got it.

This is not as clear cut as before. But I’ve considered the mileage and I’ve thought about the fact that while they had the car for around six months at this stage, Mr and Mrs M explained it was not used for a large portion of this time. So, I think at this point that while this was a separate issue, a reasonable person would think the car wasn’t durable due to this second breakdown. Again, it follows I find the car was of unsatisfactory quality due to this fault.

It then unfortunately appears that the car developed further issues in June 2024. I've seen a further invoice from L at this time. This explains:

"Check for Thermostat Being Faulty – Found Voltage on Wire to ECU. Tested Wiring to ECU, Suspect the ECU to be Faulty. To Rectify, Isolated The Wire From ECU & Grounded Out To Keep Thermostat Open and Stop Overheating – If Problem Continues – Will Require a New ECU"

I've firstly considered this issue in isolation. I'm satisfied there is a discrepancy in the mileage recorded on this invoice, as this is identical to the previous one from March 2024.

But a photo close to the time provided by Mr and Mrs M shows the mileage as 51,616, which would mean, roughly, a further 1,700 miles had been covered since the previous issue. This likely meant over 4,000 miles had been covered since Mr and Mrs M got the car. And I've noted the car was around eight years old at this time.

Considering this was around another three months on from the previous repair, and this occurred not far off a year after Mr and Mrs M got the car, I think a reasonable person would have thought this meant the car was durable when thinking about this specific fault alone.

But this doesn't tell the whole story. I also need to consider if this specific issue was linked to the earlier problems the car had. Our investigator said it was. But I disagree.

Having thought about everything, it's hard to draw any firm conclusions. The above invoice states that the garage only 'suspects' that the ECU is faulty. I've considered that the ECU had already been replaced, so I'm not sure this is likely the case. And I accept this later issue involves wiring which sounds not dissimilar to the issues noted in the original invoice from S. But I disagree with our investigator that there is a clear link. And in any event, the invoice from S noted following the repair that after testing the new ECU, "all voltage back to normal".

I think it's important to point out that there is a lack of evidence here. For instance, the invoice from June 2024 doesn't contain any details about what caused the fault, how long it's been present or whether it's linked to the earlier problems with the car from either September 2023 or February 2024. And, I've also thought about the testimony from J where it said about the earlier issues after repairing the car in January 2024:

"the wiring loom does not need replacing"

I appreciate this isn't clear cut. But thinking about things in the round, I haven't seen enough to make me think this issue was directly linked to an earlier one that means the fault was present or developing at the point of supply.

So, in summary, I find that the car was not of satisfactory quality due to the issues that arose from the breakdowns in September 2023 and February 2024. But, I don't think the issues that appeared in June 2024 mean the same.

I've then gone on to consider what would be reasonable to put things right. Our investigator said that Mr and Mrs M should be allowed to reject the car. But I do not think this would be reasonable. I say this because I'm satisfied the previous two issues were repaired, and the most recent issue I have found doesn't make the car of unsatisfactory quality. Repair is one of the remedies available to Mr and Mrs M under the CRA. So, broadly, their rights have already been met.

It's worth explaining to all parties that even if I found that the car was of unsatisfactory quality

because of the specific issue from June 2024, I would still not find it was now reasonable to reject it. That's because while Mr and Mrs M said the car continued to have issues following this repair, I'm not persuaded I've been shown this is the case.

They've provided a diagnostic showing fault codes, but there is a limited scope to what conclusions I can draw from these in isolation. And I disagree with our investigator that showing a diagnostic with fault codes from August 2024 links anything back to September 2023.

I've also thought about the photos provided, that our investigator said showed an engine warning light. But I'm satisfied, from looking at the icon displayed and reviewing the car's handbook, that the first of these only shows that the parking brake is on.

On the more recent photo, I accept this shows an amber engine warning light. But I'm also satisfied that the engine is turned off. I say this as the rev counter can clearly be seen to be reading zero. My understanding is that if the ignition is on but the engine is not, the car may display warning lights, but this doesn't mean anything is wrong. This is backed up by the car's handbook saying the specific amber light:

"Illuminates when the ignition is switched on and extinguishes shortly after the engine starts"

So, thinking about all of this, I've not seen enough to persuade me faults still persist. And in any event I also can't see Mr and Mrs M tried to exercise any potential right to reject before the car was repaired.

Having said this, I still think there are things to put right here. Firstly, I'm satisfied Mr and Mrs M shouldn't be left out of pocket from the first two repairs. I appreciate there has been some debate about whether they should've taken the car to S and later L. But, under the circumstances I'm satisfied they acted in good faith.

It appears that the cost of these repairs was, at least in part, covered by a warranty. I say this as I've seen a copy of a 'decision document' from around the time of the first repair appearing to approve £1,000.

Mr and Mrs M explained the repairs came to around £2,000. But, they've only provided an associated invoice for £703.02. Given this is less than the amount the warranty claim seems to have been approved for, I haven't seen they are at a loss. But, if they can provide evidence that this isn't the case, I will consider this in my final decision.

For the work completed in March 2024, I've seen a copy of another 'decision document'.

This agrees to the items on the repair invoice but declines a repair to a 'coolant temperature sensor'. This document shows a total claim of £276.55, but the repair invoice is for a total of £361.79.

So, I'm satisfied Mr and Mrs M haven't shown they had a loss from the first repair, but they have shown a loss of £85.24 from the second. I find AAF should reimburse this.

If any of the above figures are incorrect, Mr and Mrs M and/or AAF should provide commentary and evidence to show why in response to this decision.

Mr and Mrs M said they didn't use the car between it breaking down in September 2023 and it being repaired in January 2024. Looking at the mileages involved, I think it's likely this was the case. I don't think it's fair they should pay for a car they couldn't use. So, AAF should reimburse all payments made towards the agreement during this period.

I also agree with our investigator that Mr and Mrs M have suffered distress and inconvenience here. Mrs M has described the impact of not having a car on their lives, and I appreciate this situation will have affected them more than others due to the health conditions they told our service about. I find AAF should pay them £250 to reflect this.

Our investigator also mentioned reimbursing Mr and Mrs M a £200 charge from a breakdown recovery due to the car's faults. But, I've seen no evidence of this. If they would like me to consider this cost, Mr and Mrs M should provide a receipt or invoice in response to this decision. And I should point out to AAF that if they do, if this was in relation to the first two breakdowns and if I consider it to be a reasonable expense, it's likely I will make a finding this should be reimbursed.

I gave both parties two weeks to respond with any further information or evidence.

AAF responded and passed on some comments from the dealer.

Mr and Mrs M responded and made various comments. As part of this, they explained the total bill from S was £1,703.02. They said the warranty company was invoiced for £1,000 and they received a separate invoice, which was what I'd seen, and paid S £703.02 directly.

Mr and Mrs M provided a bank statement showing £703.02 was paid to S on 4 October 2023. So, I wrote to AAF and explained I thought this should be reimbursed in addition to what I set out in my provisional decision.

AAF then said it didn't have anything further to add.

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 still think this complaint should be upheld.

I've thought about everything Mr and Mrs M said in response to my provisional decision.

Given their explanation of the bill from S and that they've provided a bank statement showing they paid £703.02, I find it reasonable this is reimbursed.

Mr and Mrs M provided a more recent photo of the dash showing what they said was an engine management light illuminated. I agree this photo does appear to show an amber warning light. But, without other evidence about this, and considering it is now around two years after they got the car, this still doesn't change my opinion.

I want to reassure Mr and Mrs M that I've carefully considered everything else they said and sent in when responding to my provisional decision. But the other comments are in relation to previous points raised and I'm satisfied I've already set out my position on these.

I've also carefully considered what AAF said. In summary, AAF said my decision was totally unfair and biased towards Mr and Mrs M. It said no consideration had been given to how long Mr and Mrs M had the car and AAF said any award should be adjusted to take account of this.

I've thought carefully about this, but with all respect to AAF I strongly disagree with its general comments. And I'm satisfied at various points throughout my decision, I considered the length of time Mr and Mrs M had the car. I explained what this meant in terms of my

thinking behind the case and what I considered fair to put things right. So, these comments do not change my opinion.

My final decision

My final decision is that I uphold this complaint. I instruct Auto Accept Finance Limited to put things right by doing the following:

- Reimburse all repayments made towards the agreement from 9 September 2023 to 4 January 2024*
- Reimburse £85.24 for the repair dated 11 March 2024*
- Reimburse £703.02 for the repair with S from 4 October 2023*
- Pay Mr and Mrs M £250 to reflect the distress and inconvenience caused

*These amounts should have 8% simple yearly interest added from the time of payment to the time of reimbursement. If AAF considers that it's required by HM Revenue & Customs to withhold income tax from the interest, it should tell Mr and Mrs M how much it's taken off. It should also give Mr and Mrs M a tax deduction certificate if they ask for one, so they can reclaim the tax from HM Revenue and Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M and Mr M to accept or reject my decision before 9 July 2025.

John Bower
Ombudsman