

The complaint

Mr A complains about the quality of a used car he acquired through a hire purchase agreement with FIRST RESPONSE FINANCE LIMITED ('First Response'). Mr A says the car broke down very soon after he acquired it. He says he has been sold faulty goods, and his money should be refunded to him.

What happened

Mr A's complaint is about the quality of a car he acquired in July 2023. The car was used, and it was first registered in July 2012. So, it was 11 years old when Mr A received it. It had covered 133,000 miles.

Mr A acquired the car using a hire purchase agreement that was started in July 2023. The vehicle had a retail price of £5,495. Mr A paid a £1,000 deposit meaning £4,495 was financed.

This agreement was to be repaid through 36 monthly instalments of £197.20. If Mr A made repayments in line with the credit agreement, he would need to repay a total of amount of £8,099.20.

As far as I can see, First Response hadn't fully considered Mr A's complaint when it was brought to the Financial Ombudsman Service due to the circumstances surrounding the car. But when it provided it's file it outlined the circumstances of the complaint and said that, given what had happened with the car, it would offer to cancel the agreement with no further liabilities owed. And it would refund the repayments Mr A had made from September 2024 onwards. This was the point when Mr A told First Response he no longer had use of a car.

Our Investigator firstly notified Mr A of the offer that First Response had made. Mr A didn't accept the offer and asked that his complaint be fully considered.

Our Investigator didn't uphold Mr A's complaint. He said that whilst the car was faulty it wasn't clear that it wasn't of satisfactory quality. This is because a third party garage had said that the car may have been driven with the wrong fuel, or no fuel at all. And First Response wasn't kept up to date with the developments with the car until a long time after the problems with the car had started and it had gone missing. As First Response couldn't rectify the situation earlier, it wouldn't be fair to allow a rejection of the car.

Mr A didn't agree with the Investigator. He said that he had exercised his short term right to reject the car, but this was not acted on. He feels he should have had a payment of £50 for each day he couldn't use the car. And the courtesy car he was provided was not suitable for him. He wants the agreement cancelled and all the payments he had made refunded to him. And compensation for when he didn't have a car.

There was some further correspondence, but no new issues were raised. Our Investigator didn't change their opinion about the complaint. Because Mr A didn't agree, 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. First Response 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 11 years old when Mr A acquired it and it had travelled around 133,000 miles. I think a reasonable person would accept that such a vehicle would probably have some parts that were worn and would need replacing sooner or later – which is reflected in the lower price paid in comparison to a new vehicle.

But there's also a reasonable expectation that a vehicle will be relatively durable - taking into account its age, price and mileage at the outset. So even though the vehicle wasn't new Mr A should have been able to use it for a reasonable period before it needed significant work.

What happened with the car

Mr A says the car broke down very soon after he acquired it in July 2023. The car was recovered to a local garage, and I've been provided with a quote from the garage that outlines what it thought needed repairing on the car. This was, in the main, damage to the fuel pump and fuel injection system. The quote said the cost of the work would be just over £4,000

Mr A was in contact with the dealership as well at this time and I understand it agreed to repair the car, and / or source a replacement for Mr A. So, the car was transported back to the dealership in July 2023.

Mr A has provided some of the correspondence between him and the dealership at the time, and this shows that the garage he took the car to believed that it may have been driven without fuel, or mis-fuelled. Mr A says this wasn't the case. It also seems like an exchange of cars was discussed. But other than this, there is very little information about what went wrong with the car and what was done, or proposed to be done, to put things right. I don't think I've been provided with full information about the contact between Mr A and the dealership, and the third-party garage at the time.

Mr A says he was provided with a courtesy car until August 2024. He says the dealership requested the courtesy car was returned after this. As far as I know his car had not been repaired. It's not clear why Mr A had a courtesy car for such a long time and why the dealership requested it back.

And this information isn't available now (from the dealership) as Mr A and First Response have told us that the dealership may have ceased trading and is not responding to attempts to communicate with it. The location of the car is now not known. I understand Mr A has reported the car as stolen to the police.

Mr A first contacted First Response about the faults with the car in January 2024 saying it had broken down on the day of collection. A few days after this I understand First Response was told by the dealership that it was ready to repair the car. And so, First Response took no action at this time.

The next contact between Mr A and First Response was in August 2024 when Mr A said that the car was not repaired and he was also not getting updates from the dealership. First Response tried to contact the dealership, but it seems at this point it may have ceased trading.

It's not clear why Mr A didn't inform First Response about the problems he was having with the car for such a long time, but the indications are from the parts of the correspondence he has provided, is that he wanted the dealership to rectify the problems he was having with the car.

Was there a fault with the car

It's agreed that the car had some faults, and it broke down a very short time after Mr A had acquired it. The quote from the garage outlines what the problems with the car were. There is no dispute about this now.

Was the car of satisfactory quality bearing in mind the fault

To be able to say that the car wasn't of satisfactory quality I need to be able to say that these faults were present or developing at the time of sale, and that this has led to the car not being durable.

Whilst the car does have some problems, some of the evidence I have seen shows that the problems with the car may have been caused by it having the wrong fuel in it. Or no fuel at all. And this caused the engine damage rather than any faults with the car.

Added to this, it was a relatively old and well-travelled car and it would be expected that it would need some repair and maintenance over time. And it could have been that the issues with the car were the result of ordinary wear and tear.

The quote from the third-party garage does not say why the car went wrong. The only information available about how the car developed a fault is from the contemporaneous correspondence which indicates the car was incorrectly fuelled. And there is now no reliable way for this to be investigated as the car isn't available and there doesn't seem to be a prospect of this changing soon.

Overall, I believe there is too much uncertainty about the reasons why the car developed a fault for me to be able why it broke down. Even though it broke down very soon after Mr A acquired it, I can't say it's more likely than not, that the problems were apparent, or developing, at the time the car was supplied to Mr A. It follows that, having looked at

everything, I don't think there is enough for me to say that the car was not of satisfactory quality when it was supplied to Mr A.

I've thought about whether I can reasonably say that First Response should pay compensation. Mr A thinks that he executed his short term right to reject the car, and he should also receive £50 a day for the time he has not had the use of a car.

First Response as the finance provider and supplier of the goods does have a responsibility to make sure the goods are of satisfactory quality as I've said, and so it should have assisted Mr A if it was able to. But Mr A seems not to have told First Response about the problems he was having with the car. I would have expected him to have done this much sooner. And so, First Response couldn't help, or resolve, the situation in a way that they would have been expected to do. As it didn't know about it.

So, I don't think it's fair to say that it should have acted differently when it wasn't made fully aware of the problems. I don't think it should pay £50 a day for the time Mr A was without the use of the car.

Mr A says that he exercised his short term right to reject the car with the dealership, but I can't see that this is the case. The correspondence I have seen shows that Mr A agreed, and wanted to, have the car repaired. I don't think he should now be able to reject the car, even if this were possible now due to the status of the car.

So, and after considering everything, whilst the car breakdown was unfortunate, I'm not upholding Mr A's complaint.

My final decision

For the reasons set out above, I don't uphold Mr A's complaint.

First response has made an offer earlier to settle the complaint, it's not clear if this offer is still available and Mr A has already rejected it. But Mr A should contact First Response Limited directly if this is something he wants to now consider.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 5 September 2025.

Andy Burlinson
Ombudsman