

The complaint

Miss M is complaining about the quality of a vehicle supplied to her by Oodle Financial Services Limited (Oodle).

What happened

In March 2024, Miss M acquired a vehicle via a hire purchase agreement with Oodle. She part-exchanged a previous vehicle for £1,350 and borrowed £7,249 – the cash price of the vehicle was £8,599. The car was first registered in April 2015, and it had done over 88,000 miles by the time Miss M acquired it.

Miss M says she was driving along the motorway in July 2024 when the car lost power without warning. She said she guided it across to the hard shoulder, from where she was recovered, with her children and dogs, to a garage forty minutes' walk from her home. That garage said the lower part of the radiator had broken away, the engine had overheated, compression had been lost, and it would no longer start. The garage quoted around £6,500 to repair the car. Miss M complained to Oodle, saying that as the breakdown had occurred within six months of Oodle supplying her with the car, they needed to take responsibility for repairing it – or prove that the car had been of satisfactory quality when they supplied it.

Oodle arranged an independent inspection of the car by a mechanic and then responded to Miss M's complaint. They didn't uphold it, saying that the independent inspection had concluded that the car was of satisfactory quality at the time of supply.

Miss M remained unhappy – she disagreed with much of the inspection report and noted that the mechanic had said his inspection was limited, and that it was his opinion, rather than fact. Miss M also said the car had been advertised as having a full service history, when this turned out not to be true. She brought her complaint to our service and one of our investigators looked into it.

During the course of the investigation, Miss M provided opinions from mechanics on the cause of the breakdown. After concerns were raised about the source of some of these opinions, Oodle instructed a further independent inspection which also concluded that the car was of satisfactory quality when they supplied it to Miss M. After considering all the evidence, our investigator's final view was that Miss M's complaint shouldn't be upheld. Miss M asked for an ombudsman to look at the matter – and it's came to me.

When I reviewed all the evidence, I thought the complaint should be upheld. I issued a provisional decision in which I explained:

- Oodle were the supplier of the goods under the regulated consumer credit agreement in this case and are therefore responsible for a complaint about their quality.
- The Consumer Rights Act 2015 (CRA) 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 CRA says the goods need to meet the standard that a reasonable person would consider satisfactory, taking into account any description of the goods, the price and other relevant circumstances.
- The CRA says that if goods don't conform to the contract at any time within six months of supply, then it must be assumed that they didn't conform on the date of

delivery, unless “it is established that the goods did conform to the contract on that day...”.

- There's no dispute over the fact that a fault arose with the car within six months of delivery.
- So, unless I'm satisfied that the car clearly was of satisfactory quality when it was delivered, I need to assume it wasn't.

My provisional decision then set out the various pieces of evidence I'd reviewed and the key points I thought were relevant from them. I then explained what I thought about these pieces of evidence:

“Having reviewed all of this evidence, I don't consider it “established” that the car was of satisfactory quality at the time of supply. I'll explain why below.

Looking at the garage report and Oodle's first expert report, together with Miss M's testimony, it appears that, by the time of the breakdown, the radiator in Miss M's car was severely distorted, which led to a complete loss of coolant and overheating of the engine. It seems likely this in turn caused a breach of the head gasket and subsequent engine failure.

Oodle's first expert report says that the problems were primarily caused by corrosion in the radiator, which was compounded by Miss M driving the car when it was overheating. But it also says there were no fault codes stored on the ECU. This correlates with Miss M's consistent testimony that there had never been any warning signs that the car was overheating.

Both radiator experts suggest that the levels of corrosion in the radiator mean that the radiator was likely in a poor condition at the time of supply.

I've been unable to verify Miss M's expert's credentials, so I've not placed any reliance on the contents of his report.

Oodle's second expert relies heavily on the fact that the coolant vessel was full of water, (rather than an appropriate coolant mix), when they inspected the car and concludes that the problems were caused by Miss M driving the car with the wrong mix in it. But Oodle's first expert noted that the coolant vessel was empty. So, I don't think the contents of the coolant tank by the time Oodle's second expert examined the car are relevant to the cause of the breakdown. Miss M told us her expert had flushed the system with water and that's why the vessel was full of water.

This second expert references “potential failure to carry out appropriate maintenance” and suggests “post-sale neglect” by Miss M without any evidence of this. No servicing would have been expected during the time Miss M had the car, and she's told us she did carry out appropriate checks of her coolant levels. Oodle have provided no evidence to the contrary. So I don't find this report persuasive.

The service history shows that the car had not had a full service since February 2022. An interim service, as was carried out in February 2024, would not normally include a radiator check. And although the mechanic responsible for the interim service has written a letter saying the radiator would have been visually inspected, I've seen no evidence from the time of the service which says this was done. The invoice for this service references only an oil change and top up of coolant, with the amount charged being around £83 (net of VAT) – significantly less than most previous services of this car. So I'm not persuaded any pre-sale checks were particularly detailed. And even if a visual inspection was carried out, it's possible that the radiator had suffered significant internal corrosion with no obvious external evidence of this. Oodle have also referred to the car

having passed an MOT with no advisories. But an MOT does not cover a radiator check and would likely only pick up on this if there was a large leak.

Taking all of this together, I'm inclined to say the faults with Miss M's car stem from severe corrosion of the radiator which was in train at the time of sale. The pre-sale checks haven't persuaded me that the radiator wasn't corroded at the time of sale. Whilst I think a reasonable person would expect some radiator corrosion in a car of this age and mileage, I don't think they would expect the radiator to completely fail within six months of buying the car. Instead, I think a reasonable person would expect even an old and well-travelled car to last for at least six months after they bought it.

I'm also not persuaded by Oodle's position that the damage was caused by Miss M's treatment of the car. I acknowledge that her mileage was high. But it wasn't exceptionally so. And I've seen no evidence to support Oodle's allegation that she drove the car with warning lights on or failed to top up her coolant appropriately.

In summary, I'm inclined to say it's not "established" that the car was of satisfactory quality at the time of supply so, because it failed within six months, I should assume it wasn't of satisfactory quality and so I'm minded to uphold Miss M's complaint."

Miss M accepted my provisional decision, but Oodle did not. They forwarded comments from the dealership. I addressed these comments in an email, and Oodle forwarded further comments from the dealership as well as some comments from the first expert that inspected the car.

In summary, the points put forward by the dealership and the expert are as follows:

- The emails from radiator experts provided by Miss M were based on photographs only and make false statements about the general quality of this type of radiator.
- The dealer spoke to mechanics in the area, and they hadn't had a problem with radiators on the same model of car.
- The head gasket couldn't have gone before the car was supplied to Miss M as she wouldn't have been able to drive it 6,000 miles in four and a half months if this had been the case.
- One of the local mechanics the dealer spoke to said a car wouldn't fail in this way without any warning signs. Although warning lights might not come on there would be other indications for example temperature gauge reading high, smoke coming out of the exhaust, loss of power from the engine, steam coming from under the bonnet, smell of anti-freeze, or some unusual noises. The dealer said this backs up the expert reports that say the vehicle was negligently driven over a prolonged period of time until the catastrophic failure of the engine.
- Driving with children and a dog in the car doesn't excuse Miss M from a duty to notice the clear warning signs the car was failing.
- The mechanic the dealer had spoken to didn't think it was likely a head gasket would fail within five to ten minutes but even if this was the case, Miss M could have stopped much sooner than she did, and this would have reduced the damage to the car.
- Miss M should take responsibility for this, and the dealer felt it wasn't fair that he's held liable. But he offered to pay for the radiator, and for half of any additional repairs needed.
- The expert said if the radiator was significantly corroded at the point of the pre-sale MOT, this would have resulted in leakage, and no leak was found during the MOT.
- The expert was concerned that I'd suggested the vehicle wasn't of satisfactory quality at supply simply because the radiator had some corrosion – when most used vehicles would have some level of corrosion or oxidation in the radiator.

- He added that the driver needs to take responsibility for checking levels regularly and stopping when required.

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'm upholding Miss M's complaint. I appreciate how disappointing this will be for the dealer that supplied the car to Oodle, but I'd like to reiterate that I don't consider it a reflection on him and his business. That's because radiators aren't serviceable items, and so the level of servicing and pre-sale checks isn't relevant to the outcome of the case – no level of service or pre-sale checks would have picked up internal corrosion to the radiator.

What seems undisputed here is that the radiator failed, causing the car to overheat and the head gasket to blow. The points that are disputed are:

- The extent of the corrosion prior to the sale and whether this would mean the car should be deemed to be of unsatisfactory quality; and
- The extent to which Miss M drove the car when she shouldn't have.

Satisfactory quality

The CRA makes it clear that whether or not a vehicle is of satisfactory quality includes consideration of how durable it is. I appreciate Miss M acquired a car that was nine years old and had done nearly 90,000 miles. But I remain of the opinion that a reasonable person would expect to be able to drive their car for at least six months without needing to carry out significant repairs.

The radiator on Miss M's car failed within six months of her acquiring the car. And the radiator itself was only five years old at the time it failed. The typical lifespan of a radiator in this type of car is around ten to fifteen years. So I don't think a reasonable person would have expected the radiator to fail when it did.

I appreciate several opinions have been put forward as to the condition of the radiator at the time of sale, and some of these are from more persuasive sources than others. But most of the opinions suggest the level of corrosion in the radiator points to long-term degradation that wouldn't have occurred within the time Miss M had the car.

In summary, I'm satisfied that the radiator was not in a sufficiently durable condition at the time the car was supplied to Miss M and therefore the car wasn't of satisfactory quality.

Drive-on damage

The first expert's report states the main cause of the failure of the head gasket was due to usage of the car in a failing state with elevated temperatures. It also says the main cause was radiator corrosion, with "*an element of drive-on damage*" resulting in the failure of the head gasket. The second says "*the distortion to the radiator confirms the vehicle was operated in a distressed thermal state for an extended duration post-sale*". These two reports seem somewhat contradictory, with "an element of" being quite different to "an extended duration".

As I explained in my provisional decision, the second report focuses heavily on the lack of anti-freeze found in the coolant vessel and says this shows Miss M failed to adequately maintain the car. But the first expert report says the coolant vessel was empty when they inspected the car. So I don't think the contents of the coolant vessel by the time the second expert inspected the car are a good indicator of Miss M's maintenance of the vehicle – it was

completely undriveable by this stage. And it's not clear how much weight the expert placed on the contents of the coolant vessel when concluding that the car had been overheating for some time.

In the absence of conclusive evidence, my role is to decide what's more likely than not to have happened. If the coolant temperature had gone above a certain level, a warning light would have come on to tell the driver to top up the coolant. Miss M's told us there were never any warning lights, and this is borne out by the first expert saying no fault codes were recorded on the engine control unit (ECU). The dealer's said Miss M could have cleared the ECU. But there's no evidence of this and it seems unlikely in the circumstances. I also don't think it's likely Miss M would have repeatedly and knowingly driven the car in an overheated state particularly as she regularly had her children in the car.

I remain of the opinion that the radiator suffered a catastrophic failure, coolant was lost rapidly from the vehicle, and it quickly overheated and breached the head gasket. While the mechanic the dealer spoke to said this was unlikely, I don't consider this to mean that it can't have happened. And I have come across other situations where it has happened. In the circumstances I think it's most likely what happened here, and the failure of the radiator and subsequent failure of the head gasket likely happened within just a few minutes.

Miss M hasn't disputed that she continued to drive the car after noticing a problem – she said she noticed it lost power and had to guide the car to safety. She's told us she was on a busy motorway and in the outside lane at the time. So, I can understand that she wouldn't have been able to get to the hard shoulder straight away. The dealer's said Miss M should have noticed a problem sooner and stopped sooner. But without any clear timeline, I'm not persuaded of this. Whilst it's possible Miss M might have been able to stop sooner, I can't say this would have avoided the head gasket being breached. Ultimately, the failure of the head gasket was primarily caused by the failure of the radiator, and therefore I consider Oodle to be responsible for this.

Putting things right

As I don't think the car was of satisfactory quality at the time it was supplied to Miss M, Oodle need to put things right.

I initially said Miss M should be allowed to reject the car. But the dealer said that if the first expert had determined that the car wasn't of satisfactory quality at delivery then they would have repaired the car and they thought they ought to have the opportunity to do so now. I put this to Miss M and she accepted this. Miss M added that the car had now been standing unused for around ten months and might have suffered as a result. She asked that Oodle also pay for a service and MOT and provide some sort of guarantee for the repairs.

I didn't think this was unreasonable and put the proposal to Oodle, suggesting they repair the car, complete a service and MOT and provide a twelve-month warranty for all work done. Oodle didn't comment further on this. And I'm satisfied it arrives at a fair outcome for both parties in terms of putting Miss M back in a driveable vehicle at a lower cost to Oodle than a rejection would have been.

Miss M had use of the car up until 25 July 2024. So it's fair she pays for that usage. And she'll have use of it again once it's repaired. But Oodle should refund any payments made between 25 July 2024 and when the car is returned to her.

Miss M's also suffered distress and inconvenience because of the unsatisfactory quality of the vehicle. She's told us the breakdown occurred in the outside lane of a three-lane motorway, and she was very scared while guiding her car to the hard shoulder. She said she had to keep her two children and two dogs safe on the hard shoulder and then had a long walk home with them late at night. Since that initial stress, she's had extensive correspondence with Oodle and various mechanics to try to resolve the matter, which to date

has taken ten months. During that time she's not had use of the car. And she's a single parent living in a rural area, so it's been particularly inconvenient. On balance, I think £350 would be fair and reasonable compensation for the distress and inconvenience Oodle have caused by supplying an unsatisfactory vehicle.

My final decision

As I've explained above, I'm upholding Miss M's complaint. Oodle Financial Services Limited need to:

- Arrange for the collection, repair and return of Miss M's vehicle within a reasonable timeframe and at no cost to her;
- Arrange for a full service and MOT of the vehicle and provide a twelve month guarantee on all work carried out, also at no cost to Miss M;
- Refund any payments Miss M made in relation to the period from 25 July 2024 until the date the car is repaired and returned to her;
- Pay Miss M 8% simple interest* per year on all refunds, calculated from the date of each payment to the date of settlement;
- Remove any adverse information relating to the agreement from Miss M's credit file; and
- Pay Miss M £350 to reflect the distress and inconvenience caused by the faulty goods.

*If Oodle consider tax should be deducted from the interest element of my award they should tell Miss M how much they've taken off. They should also provide Miss M a certificate showing how much they've taken off if she asks for one so that Miss M can reclaim that amount if she is eligible to do so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 15 July 2025.

Clare King
Ombudsman