DRN-5632342

The complaint

Mr J complains that the car he acquired financed through a hire purchase agreement with Advantage Finance Ltd ("AFL") wasn't of satisfactory quality.

What happened

In October 2023 Mr J acquired a used car financed through a hire purchase agreement with AFL. In January 2025 he raised a complaint with AFL. He said the timing chain had failed which had resulted in significant engine damage. He said it was evidence the timing chain was overdue for inspection or replacement at the time of sale, something the dealer hadn't disclosed to him. He wanted AFL to cover the costs or repair or to terminate the agreement.

AFL told Mr J that as more than six months had passed since the start of the agreement Mr J would need to provide proof that there is a fault with the car and it was present or developing at the point of sale. It said he would need to arrange an independent inspection of the vehicle.

Mr J had the car inspected and then repaired. AFL said that as Mr J had arranged for the car to be repaired himself it hadn't been given the opportunity to look at the evidence and assist so it wasn't able to help him further. Mr J brought his complaint to this service. He also raised additional concerns with the car. He said AFL had failed to address the significant defects with the car despite providing substantial evidence.

Our investigator concluded that although there was a fault with the car and the report Mr J provided had said the timing chain fault was present or developing at the point of supply other evidence suggested the car was likely of satisfactory quality and the problems were due to a reasonable level of wear and tear. Mr J didn't agree and asked for a decision from an ombudsman.

I issued a provisional decision on 9 June 2025. I said:

> *"AFL, as the supplier of the car, was responsible for ensuring it was of satisfactory quality when it was supplied to Mr J. Whether or not it was of satisfactory quality at that time will depend on several factors, including the age and mileage of the car and the price that was paid for it. The car was about 11 years old, had been driven for 107,916 miles and had a price of £8,200. Satisfactory quality also covers durability which means that the components within the car must be durable and last a reasonable amount of time – but exactly how long that time is will depend on several factors.*
>
> *If I am to decide the car wasn't of satisfactory quality, I must be persuaded faults were present at the point of supply. Faults that developed afterwards are not relevant, moreover even if the faults reported were present at the point of supply this will not necessarily mean the car wasn't of satisfactory quality. This is because a second-hand car might be expected to have faults, for example tyres may be damaged from wear and tear but this will not necessarily mean the car is not of satisfactory quality.*

First, I've seen that Mr J has made numerous points in support of his complaint. I know that I've summarised it in far less detail and in my own words. I'm not going to respond to every single point made by Mr J. No discourtesy is meant by this. Instead, I've focussed on what I think is the crux of the complaint. Our rules allow me to do this. This simply reflects the informal nature of our service. If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point to be able to reach what I think is the right outcome.

I'm persuaded there was a fault with the car. I say this because I've seen a report provided by Mr J which outlines a fault with the timing chain leading to engine failure.

Mr J raised the issue with AFL in early January 2025. I've seen a copy of the email chain between Mr J and AFL.

On 3 January Mr J wrote

> *"The timing chain has now failed, resulting in significant engine damage. Upon review it has become evident that the timing chain was overdue for inspection or replacement at the time of sale, a fact that was not disclosed to me by the dealer. This failure suggests that the vehicle was not of satisfactory quality at the time of purchase."*

He went on to say

> *"I've maintained the vehicle appropriately during my ownership, and any failure in the timing chain is due to pre-existing where that should have been addressed before the vehicle was sold to me"*

In its reply AFL explained that as the agreement was over six months old, per the Consumer Rights Act 2015, the burden of proof lies with the consumer, Mr J, to prove the issues were either present or developing at the point of purchase. AFL is correct here and given that Mr J had had the car for some 15 months and driven it nearly 20,000 miles I'm satisfied this was a reasonable and fair request.

It asked Mr J to provide an independent report which confirmed what the fault was and whether it was present or developing at the inception of the agreement. It said:

> *"We therefore require you to provide us with an independent report that confirms the fault was present at the inception of the agreement. There are a number of vehicle inspection companies nationwide who you can approach for assistance with this…*
>
> *Once you have obtained the required information, please contact our dispute resolutions team who will review your information and contact you to discuss the matter further."*

Mr J responded and asked questions about the scope of the report and about dealer involvement. He said:

> *Thank you for your response and for outlining the process required to investigate my concerns regarding the vehicle purchased under my Hire Purchase Agreement. I appreciate your explanation regarding the Consumer Rights Act 2015 and understand that the burden of proof now lies with me as the issue has arisen after the initial six-month period. I am committed to*

resolving this matter and will work to obtain the independent report you have requested. However, I would like to seek clarification on a few points before proceeding:

> *1. Scope of the Independent Report: Could you provide further details about the specific elements or criteria that the report must cover to confirm the fault existed at the inception of the agreement? This will help ensure the report meets your requirements and avoids unnecessary delays…*
>
> *3. Dealer Involvement: Have you contacted the dealer from whom the vehicle was purchased to verify if they are willing to acknowledge or address any concerns about the vehicle's condition at the time of sale? If not, I would appreciate it if you could contact them to assist in resolving this matter. I trust that you will approach this matter with fairness and will await your response before proceeding to arrange the report.*
>
> *Please let me know if there are specific vehicle inspection companies you recommend…"*

AFL responded a few minutes later. It said:

> *"The independent report must confirm the specific issues, and as to whether these issues were present or in development stage from the point of sale. We also need the report to confirm the vehicle was sold unfit for purpose to deem the dealership liable of the vehicle being unfit for its intended use on public highway…There are two companies we can suggest to use…they are 3rd party companies which we use ourselves. We would not be in contact with the dealer until we have received the relevant evidence in terms of the independent report. If this then confirms the issues were present or in development at the point of sale we would then reach out to them to seek assistance. As were 13 months into the agreement we need to obtain a full evidence file before speaking to the dealer."*

At this stage AFL didn't dispute there was a fault with the vehicle. It asked for independent evidence. I'm satisfied that Mr J agreed to provide an independent report. AFL answered his questions and provided recommendations of inspection companies. It's clear to me from this email thread that the inspection needed to be independent, and I'm persuaded Mr J understood that because of the questions he asked. I'm also satisfied AFL explained the next steps in assisting Mr J and at what point it would contact the dealer.

Mr J took the car to a garage for an inspection and then proceeded with the repair work. I've seen a copy of the report and I can see the date of the inspection and the invoice is the same – 25 January. AFL provided the name of companies that undertook independent inspections at Mr J's request, but these were not used. Mr J didn't have to use these companies, but it was reasonable for AFL to ask for a report that was independent. While I don't dispute the technical capability of the engineer/garage that did the inspection it appears this is the same garage that carried out the repair work. So, I'm not persuaded the report was independent.

Mr J told AFL given his reliance on the car for work and his financial circumstances he had no choice but to proceed with the repairs. He said the vehicle was undrivable, and delaying repairs would have worsened the damage. I do understand Mr J's urgency to get the car repaired but the inspection took place two weeks after the email discussion I noted above. And I think it reasonable he contact AFL to discuss *next steps including his concern about getting the car repaired urgently.*

I'm satisfied Mr J was aware that he needed to present the evidence to AFL so that it could assess the situation for itself in order to provide the best solution, including contacting the dealer which Mr J asked it to do in order to address the vehicle problems. At this point AFL would have been able to assess the validity of the inspection and if it agreed the faults had been present at the point of delivery it could have arranged for the car to be repaired by the dealer or another authorised garage. Or it could have challenged the report's findings.

AFL told this service it advised Mr J that as the repairs had already been completed on the vehicle, it wasn't able to investigate as all evidence of a fault had been removed. It also said that as Mr J had authorised the repairs this would be deemed his acceptance of liability.

Mr J told this service that AFL has refused to assist him because he authorised and paid for the repairs. He doesn't think this is fair or acceptable. He said he provided a mechanic's report confirming that the defects existed before purchase and AFL's refusal to investigate contradicts FCA regulations, which require finance companies to investigate claims of defective goods fairly.

My role here is to come to an impartial decision based on what I believe to be fair and reasonable. I understand Mr J's frustration, but I don't agree AFL refused to investigate or to assist him. AFL didn't dispute there was a fault. It explained that an independent inspection was needed, and I'm satisfied it was reasonable for AFL to ask for this, not only because the agreement was over six months old but because it was 13 months old, and Mr J had driven nearly 20,000 miles. It told Mr J it needed a full evidence file before approaching the dealer, which is what I would expect and what Mr J asked it to do. This is so it could assess the situation prior to contacting the dealer. I'm not persuaded the report provided by Mr J was independent as it was carried out by the repairing garage and because those repairs were carried out immediately without Mr J checking in with AFL. AFL then wasn't able to review the report or to authorise the repairs by the same garage, so removing the evidence of the fault. I'm also persuaded by Mr J's clear communication and questions in his emails that he understood AFL's process but didn't appear to follow it. So, subject to any further information I might receive, I'm not persuaded AFL acted unfairly when it said it couldn't assist Mr J further after he went ahead with the repairs, and I'm also persuaded that by doing so Mr J assumed liability for them. So, I don't believe AFL needs to do anything further."

Mr J didn't agree with my provisional conclusions and made some additional remarks to which I have responded below where appropriate.

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.

I realise this will come as a disappointment to Mr J but having done so I believe my conclusions still stand.

Mr J provided a point by point response to my findings so I will respond using his references:

1. Mr J has said the legal standard of "independent" equals objectivity and neutrality. He said AFL made no attempt to validate or counter the findings and that is not a failure on

Mr J's part — it is inaction from AFL.

AFL asked for an independent report which was a reasonable request in the circumstances. Using Mr J's interpretation of 'independent' I'm not persuaded a diagnostic report from a garage that went on to fix the vehicle that same day would reasonably be seen as objective or neutral. The providers AFL recommended were objective and neutral. Mr J didn't have to use these providers as there are others. He could have used the garage and then presented the report to AFL prior to repair for it to approve. AFL did not counter the findings because it wasn't given the opportunity to do so as Mr J had the vehicle repaired on the same day as the inspection.

2. Mr J has said he had no choice but to act as he did because the car was undrivable. He said he was forced into a corner and received no assistance, recovery offer, or site visit. He said delay would have caused further engine damage and cost escalation and AFL gave him no viable alternative, just instructions to wait. He believed he was acting responsibly in the absence of support.

   I understand that Mr J was under pressure because of the problems with his car. But from the evidence I've seen AFL was clear that he needed to provide independent evidence. Mr J had asked AFL to contact the dealer, and AFL said it would once it received the independent report. And it's clear from Mr J's answers that he understood what was needed. Given the agreement was over six months old this was a reasonable course of action by AFL.

3. Mr J said had AFL wanted to assess, it could have asked for a second inspection or contested the findings, but it chose to do nothing. He said its refusal was procedural, not evidence based.

   I don't agree that AFL refused to assist. As Mr J had the inspection and repairs done on the same day, a Saturday, I can't see how AFL would've had the opportunity to ask for a second inspection or contest the findings.

4. Mr J said the timing chain is not a consumable part. He said it is an internal engine component with a design lifespan of 100,000+ miles. He said failure at 20,000 miles into ownership is not normal and suggests a fault developing before purchase. He said the garage report confirmed the fault was developing at the point of sale.

   I'm persuaded AFL did act fairly after Mr J had the car repaired but if I wasn't then in order to uphold Mr J's complaint, I would need to be persuaded the car wasn't of satisfactory quality. To conclude that I must be persuaded faults were present at the point of supply, faults that developed afterwards are not relevant. Moreover, even if the faults reported were present at the point of supply this will not necessarily mean the car wasn't of satisfactory quality because a second-hand car might be expected to have faults caused by reasonable wear and tear.

   I've not seen any evidence the timing chain was replaced prior to supply nor was AFL obliged to replace it unless it advertised as such. I agree with Mr J that if maintained timing chains can last anywhere up to and beyond 100,000 miles. The mileage on the vehicle was 128,000 after 12 years of usage and Mr J had himself been able to drive 20,000 miles which I think given the circumstances is very reasonable. So its entirely possible there were signs of timing chain wear and tear at the point of sale but for me to be satisfied the timing chain failed prematurely I would need to see persuasive evidence this particular model of timing chain would be expected to last up to a minimum of about 200,000 miles. And I haven't seen any such evidence.

5. Mr J has said consumers have the right — and often the necessity — to repair faulty goods without waiving legal recourse. He said the act of preserving his engine and keeping himself mobile does not equal acceptance of liability. He said he was left with no safe or fair alternative but to repair. We are an informal resolution service and while I must consider relevant law, I'm not bound by it. My role is to decide what is fair and reasonable in all the circumstances. AFL reasonably asked for an independent report and told Mr J that after receiving a report it would review the information and then discuss it with Mr J. As I said above it also answered Mr J's questions about approaching the dealer. AFL wasn't given an opportunity to review the report and if necessary, investigate further and didn't authorise the repairs.

Mr J has asked me to reconsider my findings based on evidence and fairness which I have done. I'm sympathetic to the fact this is not the news Mr J would like, but having done so I'm persuaded AFL acted fairly when it dealt with Mr J's complaint. In addition, given the age and mileage of the vehicle at the point of sale and the fact Mr J was able to drive it a further 20,000 miles I think it likely the vehicle was of satisfactory quality and the timing chain problem was due to reasonable wear and tear.

My final decision

My final decision is I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 4 August 2025.

Maxine Sutton
Ombudsman