

The complaint

Mr N complains that a car that was supplied to him under a hire purchase agreement with Advantage Finance Ltd (“Advantage”) wasn’t of satisfactory quality.

What happened

The parties are familiar with the background to this complaint – so I will only summarise it briefly here.

Mr N entered into a hire purchase agreement with Advantage in April 2024 to purchase a car. The cash price of the car was £7,799. This was funded by a deposit of £500 and £7,299 in finance. The total amount due under the agreement, including interest and charges, was £13,707.40 to be repaid through 59 monthly instalments of £216.79, followed by a final monthly instalment of £416.79.

It is my understanding that, in May 2024, Mr N took the vehicle to a garage to attend to electrical faults with the 12-volt socket, EPC light on dashboard and driver assist button which have been resolved.

Then, in December 2024, Mr N contacted Advantage about the problems he now says render the vehicle of unsatisfactory quality. Specifically, Mr N said that oil was leaking from the gearbox making the vehicle jolt and decrease in speed when in motion.

Whilst investigating matters, Advantage arranged for an independent inspection to be carried out by a firm I’ll call ‘Business S’. This took place in January 2025.

Upon receipt of Business S’s report, Advantage issued its final response to the complaint. In short, it did not uphold the complaint because *there is not enough evidence to suggest the faults [Mr N] have experienced with [his] car were inherent or at least developing at the point of supply.*

Unhappy with this, Mr N referred his complaint to our service.

One of our investigators looked into Mr N’s complaint and, in May 2025, issued his findings. In short, our investigator said that taking into consideration the contents of Business S’s report, the overall mileage and age of the vehicle, the problems appear to be due to a reasonable level of wear and tear. As a result, the investigator concluded that the car was not of unsatisfactory quality when it was supplied.

Unhappy with this, Mr N asked for his complaint to be passed to an ombudsman to decide.

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've reached the same conclusion as our investigator and for the same reasons. I know this will come as a disappointment to Mr N, but I'll explain why I think this is fair outcome in the circumstances.

However, before I do, I would like to make it clear that whilst I've carefully thought about everything that has been said and provided by both parties, I won't comment on everything in my decision. This is not intended as a discourtesy to either party, but it reflects the informal nature of this service in resolving disputes.

The agreement in this case is a regulated consumer credit agreement. As such, this service is able to consider complaints relating to it. Advantage was also the supplier of the goods under this type of agreement, and responsible for a complaint about their quality.

The Consumer Rights Act 2015 is of particular relevance to this complaint. It says, amongst other things, that every contract to supply goods is to be treated as including a term that the quality of the goods is satisfactory.

The Consumer Rights Act 2015 says the quality of goods is satisfactory if they meet the standard that a reasonable person would consider satisfactory taking into account 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 take into account might include things like the age and mileage at the time of sale and the vehicle's history.

The Consumer Rights Act 2015 says 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 the quality of goods.

Advantage did not supply Mr N with a new car here. The car was over nine years old and had travelled 66,766 miles at the point of supply. And while it was certainly not an inexpensive car – the price was a good deal less than it would have been new.

So, I think it is fair to say that a reasonable person would expect that it would not necessarily perform as well as a new car. And there would be a risk – if not an inevitability - of wear and repairs arising from previous use and maintenance by former users. In other words, there's a greater risk this car might need repair and/or maintenance sooner than a car which wasn't as road-worn. I've kept this in mind when considering this matter.

I don't think there's any dispute that Mr N has experienced problems with the car - that has been well evidenced by, amongst other things, Mr N's testimony and the inspection report produced by Business S.

But the simple existence of faults in itself isn't enough to hold Advantage responsible for repairing the car or accepting its rejection. The legislation says that this will only be the case if the fault was present or developing at the point of supply.

The available evidence suggests Mr N first contacted Advantage about the current problems with the vehicle in December 2024, roughly eight months after taking ownership of it.

The presumption under the Consumer Rights Act is that where a lack of conformity to contract exists at any time within six months of delivery to the consumer, the goods are deemed not to have conformed at the point of supply. That presumption doesn't apply in Mr N's case, because the available evidence suggest the current issues with the car were raised outside the six-month period.

But, putting that to one side, in response to Mr N's concerns, Advantage arranged for an independent inspection of the vehicle to be carried out by Business S.

The report found a number of issues including, but not limited to, a *metallic noise from the transmission suggesting:*

- *Possible transmission failure due to oil leakage; or*
- *Alternatively, the oil leak induced by transmission failure (e.g. worn bearing or damage to the transmission casing)*

The report concludes that the *transmission likely requires replacement with a reconditioned unit or an overhaul*. It goes on to say that:

"Noises from the transmission were noticeable even to a layperson without mechanical knowledge, suggesting the issue developed after the point of purchase.

The issue is unlikely to have been present at the point of sale due to the mileage covered and time elapsed without the owner reporting impending problems...the symptoms appear to result from progressive, age-related wear and tear rather than premature failure."

In short, the report does not conclude the issue is an inherent fault (which appears to be supported by the fact Mr N was able to use the car for c7,000 miles after supply).

Business S's report appears credible to me and is sufficiently detailed. Further, it includes a statement of truth to the court – so I have given it appropriate weight here. With this in mind, it is difficult for me to make a finding that the problems Mr N experienced with the car were present or developing at the point of sale – such that the car is not of satisfactory quality – in light of said report which finds otherwise. I think this report is persuasive in showing, on balance, that the vehicle was not of unsatisfactory quality at the point of supply.

I note Mr N says he first noticed oil leakage from the underside of the vehicle as early as May 2024 and, as the months went on, it got worse. Mr N has provided photographs - dated June 2024 and July 2024 - showing fluid deposits beneath the car as evidence of this. Mr N says he mentioned this to the garage who carried out the electrical repairs, although our service has not been provided with documentary evidence of this.

Nonetheless, I'm not persuaded that the photographs – in and of themselves – are sufficient to rebut or otherwise call into question the conclusions of the independent report. After all, they are not accompanied by any expert opinion or otherwise conclusive in showing that the faults were present or developing at the point of sale.

With that being said, the photographs have been shared with Business S (via Advantage) for comment. Having reviewed the photographs, Business S said:

"...it is not possible to state whether it is engine oil or transmission fluid...although we made mention in our report of transmission fluid leakage being present, we have also stated that it is in-line with the vehicle's age and mileage...therefore we believe the seepage to have been in-service wear & tear."

With all of this being the case, and bearing in mind the overall age and mileage of the vehicle - including the additional mileage Mr N has covered in the car (c7,000 miles) – I am not persuaded that the issues raised are inherent defects as opposed to reasonably expected wear and tear in a car of this age and mileage.

I accept that certain things like issues with the gearbox - are more significant matters to come across and more costly to repair. However, I note they did not occur immediately or before the vehicle had covered a reasonable amount of miles.

Furthermore, I note the vehicle passed an MOT a few weeks prior to the point of sale with no advisories with regards to oil leaks. This adds weight to the notion that the issue was, on balance, unlikely to be present or developing at the point of sale.

That's not to say that there aren't issues with the car. It's more that there's no persuasive evidence to show that the problems were present or developing when the car was supplied to Mr N. The independent engineer's report doesn't say this. Given the car had covered a further c7,000 miles since Mr N took possession of it, it's not unreasonable to say that it's for Mr N to demonstrate that this is more likely than that the current issues are attributable either to events after the car was supplied to him, or that they are commensurate with the ordinary everyday wear and tear suffered by a car of this age and mileage.

I sympathise with Mr N, who I don't doubt has had to pay (or will need to pay) a good deal of money on work that needed (or needs) doing to the car. What's more, I acknowledge that Mr N has gone to a great deal of time and effort to support his case. But based on what I've seen - and bearing in mind the overall age and mileage of the car - I am not persuaded that there was an inherent problem with the car that was present or developing when it was supplied such that it would be considered of unsatisfactory quality.

With that being said, I note Business S's report finds that, although unlikely, *if the transmission is stripped and a manufacturing defect is identified, the opinion may change*. Therefore, Advantage should be alive to the possibility that if Mr N does subsequently obtain and present it with further evidence in this regard, it might need to review its position.

Although the evidence points to the issues with the vehicle not being present at the point of sale I have also thought about durability – which is a factor when considering satisfactory quality under the Consumer Rights Act 2015.

In the circumstances of this particular case, I don't think there is sufficient persuasive evidence that the goods are not reasonably durable. I say this because the issues look to be down to overall wear and tear from use of a second-hand car.

When buying a second-hand car of this age and with this mileage it is reasonably expected that there is a risk some (even major) components might need replacing sooner than on a newer less road worn car. And unless the dealer specifically sold the car as having certain components replaced for new ones – which the available evidence doesn't point towards - I don't think there is a breach of contract in this regard.

Looking at all of this in the round, I'm not persuaded that Mr N's car was of unsatisfactory quality when supplied. So, I can't hold Advantage responsible for the problems Mr N has experienced with it.

I know my decision is likely to disappoint Mr N. However, he does not have to accept it and may wish to seek appropriate legal advice and pursue matters through a more formal court route.

Finally, I note Mr N has told our investigator about the impact this matter has had on his mental health. I'm sorry to hear about this and I would like to thank him for sharing this information, which I imagine wasn't easy to do. I can see our investigator has signposted

Mr N to various organisations who may be able to help. I hope these are of assistance to Mr N.

Mr N has also explained that this matter has impacted his job. I'm sorry to hear this too. Mr N may also wish to speak to Advantage (if he hasn't done so already) who are obligated to treat Mr N with forbearance and due consideration if he is experiencing difficulty making repayments.

My final decision

For the reasons I've explained, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 7 November 2025.

Ross Phillips
Ombudsman