

## **The complaint**

Mr B complains about a car supplied under a hire purchase agreement, provided by Tandem Motor Finance Limited.

## **What happened**

Around October 2023 Mr B acquired a used car under a hire purchase agreement with Tandem. The car is listed with a cash price of £15,990 on the agreement, was around four years old and had covered around 52,473 miles. Mr B paid no deposit.

Unfortunately, Mr B says the car developed issues. He said he noted various problems with the car within about two weeks of acquiring it and notified the dealer about this.

The car was returned for repairs at the beginning of January 2024. Issues looked at included reported problems with the key, wing mirror, infotainment system, engine rattling, brakes, battery, parking sensors, cameras and steering. The car was returned to Mr B a few days later but he said not all of the required repairs were carried out.

Mr B continued communication with the broker and the dealer about the issues with the car.

In April 2024 an independent inspection of the car took place. The mileage was noted as 59,208. This said, in summary, that the car had several fault codes stored, a noise from the air filter area and a noise from the cambelt area. It said most issues raised by Mr B couldn't be replicated, but did note the intermittent nature of these.

In June 2024 Mr B complained to Tandem and it issued a final response later in the month. This said, in summary, that the complaint was upheld, and a rejection of the car had been agreed due to failed repairs. It said it was applying a 'usage deduction' of 25p a mile, which it said was £1,683.25 based on 6,735 miles. And it offered to pay Mr B £50.

Mr B then explained there was then an issue with collecting the car when someone attended when he wasn't at home.

Mr B remained unhappy and referred the complaint to our service. He described the issues he's had communicating between the dealer, broker and Tandem. He said he'd paid out for an extended warranty. And he said he had to pay out for hire cars and other transport costs at times.

Mr B explained the situation had caused emotional distress and had a negative impact on his relationships with his family. Mr B explained he was still awaiting collection of the car and this was preventing him getting another one.

Mr B said the car had been sat unused from around March 2024.

Tandem explained to our service that it had reimbursed two direct debits of £371.64 to Mr B in June 2024 along with a refund of £174.45. It also said it had increased the offer of compensation to Mr B to £400 and paid this to him to reflect the ongoing issues. And it

confirmed that the car was collected on 19 September 2024.

Our investigator issued a view and explained that she thought the actions Tandem had taken to resolve the issues were reasonable to put things right.

Mr B responded and explained he'd now resolved the issue with the warranty. But he disagreed with the findings. In summary, he reiterated the issues he'd had with the broker and the dealer when trying to resolve things. He said he was left stranded in the car on multiple occasions due to the issue with the keys. He said he lost out on around £50,000 worth of business because of what happened. He said the delays in collecting the car had caused him a lot of stress. He said it was unfair he'd had to pay out for insurance. And he said the goods were not as described.

Mr B later made further comments in relation to the Consumer Rights Act 2015 ('CRA'). And he said he'd been unable to get a new car as the finance with Tandem was still live.

Our investigator explained this didn't change her opinion. So, the complaint has been passed to me 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 think the offer already made by Tandem is fair and reasonable to put things right. I'll explain why.

Mr B complains about a car supplied under a hire purchase agreement. Entering into regulated contracts such as this as a lender is a regulated activity, so I'm satisfied I can consider Mr B's complaint against Tandem.

When considering what's fair and reasonable, I take into account relevant law, guidance and regulations. All parties here have mentioned the CRA in relation to this complaint. I should note at this point that it's quite possible that in fact it is the Supply of Goods Act (Implied Terms) 1973 ('SGA') that is relevant to this complaint. I say this as Mr B has frequently mentioned how the issues with the car have caused him problems with his business.

So, it's possible Mr B entered into the contract wholly or predominantly for business purposes. Because the amount of credit provided was under £25,000, this wouldn't impact our service's ability to look into the complaint as the agreement would still be regulated. But, it would mean the SGA, not the CRA, is relevant.

However, in this particular case, this wouldn't change what I think about the complaint nor what would be reasonable to put things right. The CRA and the SGA both explain under a contract to supply goods there was an implied term that the goods needed to be 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.

In this case it's already been accepted that the car wasn't of satisfactory quality as Tandem has already agreed to reject it. So, rather than commenting further on this aspect, my decision will instead explore if what Tandem has already done to put things right is reasonable, or if it needs to take further action.

It's worth explaining up front that this decision only considers Tandem's role. Much of what Mr B has complained about in this case, and has gone into some considerable detail about, is the difficulties dealing with the broker of the finance after the agreement was entered into. Mr B also raised various complaint points about the dealer and what happened with the staff there.

I can consider the overall impact of the situation on Mr B caused by Tandem supplying a car of unsatisfactory quality. But, and I know this will be disappointing to Mr B, I can't make findings on any specific failings by the dealer nor broker in this decision.

It's also worth explaining that there is something of a lack of evidence from Mr B, beyond his testimony, about what happened. Our investigator asked him for various evidence which hasn't been provided. For instance, he said he lost out on around £50,000 because of what happened. But he hasn't shown this was the case. He explained he had to pay out a lot of money for travel, but he hasn't provided anything to show what these expenses were. He's also explained the car had issues that left him stranded, but I haven't seen photos, videos, breakdown reports or anything else to show what happened.

What I do have to consider is the job sheets from the dealer when the car was returned in for repairs and the independent report. While the question of satisfactory quality has already been decided, I've considered these when thinking about the impact of the situation on Mr B and his use of the car.

In broad terms, I find by allowing Mr B to reject the car Tandem have met his rights and this is a fair and reasonable way to resolve things. So, I've gone on to consider the other parts of the offer made.

Mr B raised a lot of issues with the car. But, in summary, two noises were noted in the independent report following the repair and the majority of the faults weren't found by either the garage nor the inspection.

This means, while I think Mr B did have impaired use of the car, it's difficult to draw conclusions that the problems had a serious impact on him using it.

This is important when considering the offer made by Tandem. It isn't in line with our services' general approach to calculate usage based on an amount per mile. But this did mean Mr B received a refund of a portion of the monthly repayments made for when he had use of the car.

Mr B says he stopped using the car around March 2024. And in June 2024 Tandem reimbursed two monthly repayments. I can't see payments have been taken since.

I've taken into account when Mr B entered into the agreement, the payments made and considered all of the reimbursements as a whole. Having done so, even though the method Tandem used to calculate things is quite different than what I would have used, I'm satisfied in broad terms the offer it made is similar to what I would have recommended under the circumstances to reflect the use of the car Mr B had. So, I find it doesn't need to do anything further here.

Mr B has raised a point that he believes the goods were not as described. But, even if I accepted this was the case, the remedy for this would be the same as for unsatisfactory quality. So, this doesn't change my opinion.

I agree with our investigator that Mr B has been caused distress and inconvenience because of what happened. I know Mr B's strength of feeling about this, and I want to reassure him

I've carefully considered everything he's said. But it's worth reiterating that I'm only considering Tandem's responsibilities in this complaint.

That being said, it must have been upsetting for Mr B to realise that his car was not as expected. I've thought about the considerable effort and time he had to spend resolving things. And I've also noted the delays in Tandem collecting the car and ending the agreement.

Considering this, I'm satisfied the impact on Mr B has been significant and has taken a lot of extra effort to sort out over several months. Thinking about this service's approach to awards in relation to distress and inconvenience, which are available on our website, I agree with our investigator that the offer of £400 to reflect this is fair and reasonable.

So, in summary, I find that the offer Tandem made is fair and reasonable under all the circumstances of the complaint.

The car has been confirmed as collected and Tandem has explained it has already paid the funds offered to Mr B. But, while I haven't seen a recent update on this, Mr B has previously explained the agreement was still live. If this is the case, I find Tandem needs to cancel this with nothing further to pay to action all of its offer.

### **My final decision**

Tandem Motor Finance Limited has already made an offer to reject the car, reimburse Mr B £174.45, reimburse two repayments of £371.64 and to pay him £400 to reflect what happened to settle the complaint. I think this offer is fair in all the circumstances.

I'm satisfied most of these actions have been carried out, but Mr B previously explained the agreement was still live.

So, my decision is that Tandem Motor Finance Limited, if it hasn't already done so, should cancel the agreement with nothing further to pay.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 17 July 2025.

John Bower  
**Ombudsman**