

## The complaint

Mr W complains about problems he has had with a car Tandem Motor Finance Limited (Tandem) supplied to him under a hire purchase agreement.

## What happened

The facts of this case are familiar to both sides, so I don't intend to repeat them again in detail here. Instead, I'll provide a brief summary.

Mr W entered into a hire purchase agreement with Tandem in November 2023 to purchase a car. The cash price of the car was £30,000. The total amount due under the agreement, including interest and charges, was £46,840 to be repaid through 59 monthly instalments of £780.50, followed by a final repayment (including an Option to Purchase Fee) of £790.50.

In January 2024, Mr W noted the auxiliary water pump had begun to leak. He was advised to fill and monitor the leak, whilst waiting for a garage that worked with the warranty company to book the car in – he was advised this would be in May 2024.

In the meantime, Mr W decided to have the car serviced to ensure there were no other issues with the vehicle. This service took place in late January 2024. At this point, the manufacturer replaced the EGR coolant unit under a recall – at no cost to Mr W. Mr W says, during this service, he was informed the car was leaking coolant, the suspension appeared to not be operating correctly and the front differential was also diagnosed with a front bearing failure.

Mr W arranged for the faults to be further diagnosed by a garage that worked with the warranty company (Business D). Business D advised Mr W that the vehicle needed a new coolant pump, air springs, compressor and front differential.

In April 2024, Mr W made a complaint to the broker (which I'll call 'Business Z') and Tandem.

In May 2024, Business Z arranged for an independent inspection of the vehicle to take place – this was carried out by a firm I'll call 'Business A'.

In late July 2024, Tandem issued its final response to the complaint in which it said, in short, *based on a review of the account* [including Business A's report] it did not uphold the complaint.

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

One of our investigators looked into matters and, in September 2024 issued their findings. In short, our investigator said that the findings of the independent report, allied to the age and mileage of the vehicle, led them to conclude that they *did not have sufficient evidence to suggest that these faults had been present or developing at the time of sale*.

Mr W didn't agree with our investigator. There was quite a lot of correspondence between Mr W and our investigator in the wake of these findings. But, ultimately, an agreement couldn't be reached so the case was passed to me to decide.

On 4 June 2025, I issued a provisional decision in which I upheld the complaint. Here is what I had to say:

*I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.*

*However, 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. Tandem 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.*

*Tandem did not supply Mr W with a new car here. The car was over six years old and had travelled over 66,000 miles<sup>1</sup> at the point of supply. And while it was 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 high 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 don't think there's any dispute that Mr W has experienced problems with the car - that has been well evidenced by both his testimony and the information he's sent us, including the estimates/invoices for repairs. Nor is there any dispute that Mr W notified Tandem of these problems within six months of supply.*

*But the simple existence of faults in itself isn't enough to hold Tandem 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.*

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<sup>1</sup> There is some discrepancy regarding the mileage at the point of supply. The Agreement Schedule states the mileage was 66,215, information from the supplier suggests it was 66,800, whereas Mr W states the mileage was, in fact, 68,600. This has no material impact on the outcome I've reached or the reasons for it.

*I have noted Business A's report says that due to inaccessibility the coolant leak could not be pin pointed and further investigation would be required. Further, Business A's report goes on to say that it declined to start the car or carry out a road test due to the faults observed...therefore [it was] not able to comment on the suspension or final drive unit. In short, the report makes no finding on the cause of the issues Mr W has experienced with the vehicle.*

*While Business A's report suggested faults of this nature would be due to wear and deterioration, I can't accept this assertion in light of the clear conflict in the report saying that further investigation was required to establish the underlying cause.*

*I haven't seen anything to suggest that Tandem instructed that further investigation. That doesn't seem to me to be a reasonable approach for the lender to take, given that there was a clear indication of a lack of satisfactory quality at point of supply, and the possibility that the car still failed to conform to contract.*

*That leaves open the possibility that the problems Mr W experienced with the vehicle were connected to an issue present or developing when Tandem supplied the car to him - and that the root cause has never been properly identified.*

*Overall, I'm not minded to conclude that a car that in less than six months requires replacement rear air springs, coolant pump, compressor and front differential at a not insignificant cost could reasonably be said to be of satisfactory quality. I say this bearing in mind these issues were identified when the car had been in Mr W's possession for just a couple of months, during which time it had travelled a few thousand miles.*

*I've no reason to think that these problems are attributable to Mr W's use of the car. Noting the timeline, the issues with the car suggest that Tandem is liable to Mr W for a breach of the contractual term to supply a car of satisfactory quality.*

*The Consumer Rights Act 2015 says that goods that don't conform to contract at any time within six months of the consumer taking delivery are to be taken as not conforming to it at the point of supply, unless it is established that the goods did conform to contract on that day. Having considered the evidence on which Tandem has based its position, I'm not currently persuaded it's done enough to rebut that presumption. I don't consider the report Tandem (via Business Z) obtained contained sufficient depth of investigation to safely conclude that the car was of satisfactory quality when Tandem supplied it to Mr W.*

*It follows that I'm not currently minded to find that Tandem has dealt fairly with the situation by declining Mr W's claim for the reasons it has.*

*It is my understanding that the required repairs (i.e. replacement rear air springs, coolant pump, compressor and front differential) have been carried out at Mr W's own expense. In my view, Tandem should reimburse Mr W's expense.*

*If Mr W has incurred additional costs in relation to these repairs, I would expect Tandem to reimburse him for this subject to Mr W providing Tandem with evidence of the work carried out and his claimed costs being reasonably incurred in remedying the defects.*

*What's more, Mr W has clearly experienced impaired use of the vehicle, particularly during periods when it has been in the garage for diagnostics and repairs. I'm not aware a courtesy car was provided to him during these periods. If that is the case, it is only fair that Mr W is compensated for this impaired use.*

*In addition, I'm satisfied that Mr W has been inconvenienced by what has happened. And*

*Tandem should compensate him for this.*

*My provisional decision is that I uphold this complaint. To settle it, Tandem should take the following steps:*

- 1. Reimburse Mr W the costs he has incurred in replacing the rear air springs, coolant pump, compressor and front differential. Tandem should also reimburse him any further costs as were reasonably incurred in relation to the repairs subject to receipt of evidence of said costs - and it should do so within a reasonable period of time;*
- 2. Reimburse 25% of the monthly payments Mr W has made under the agreement from January 2024 to the date the repairs were carried out, to reflect the impairment to his use of the car;*
- 3. Rework Mr W's account as if any missed payments were suspended during the period of the dispute so that no adverse payment information is shown on his credit file; and*
- 4. Pay Mr W £200 in recognition of his distress and inconvenience due to its handling of his claim.*

### **Responses to my provisional decision**

Mr W initially accepted my provisional decision. He subsequently requested that rejection of the vehicle be considered as appropriate redress in the circumstances, bearing in mind it was his initial request and the long-running nature of the problems he's had with the car.

Mr W also submitted details about the costs he has incurred as a result of the problems he's had with the car, including loss of earnings.

I would like to thank Mr W for taking the time to compile and submit this information.

Tandem did not respond to my provisional 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 my provisional decision I set out my intended findings and the reasons for them.

Neither party has disagreed with my conclusion that the car was of unsatisfactory quality at the point of supply. With that being the case – and having looked at everything that has been provided again carefully – I remain of the view Tandem has not dealt fairly with the situation by declining Mr W's claim for the reasons it has.

Therefore, the only issue which remains outstanding is how matters should be put right.

I recognise and accept Mr W requested to reject the vehicle at various stages throughout this matter. This is not in dispute. And I understand why Mr W went ahead with repairs bearing in mind what he has told our service about his circumstances and the need to stay mobile. However, in arranging repairs Mr W was acting in a way that was consistent with accepting repairs as a remedy. And it is my understanding that Mr W has been in possession of and using the car since the final repairs were carried out in September 2024.

With all of this in mind, whilst I recognise Mr W's strength of feeling on this point, I don't think rejection of the car is fair to both parties and I remain of the view that reimbursement for repairs – which as I have said have been successful as far as I am aware - is fairer in the circumstances.

It follows that I think, broadly, Mr W's rights under the Consumer Rights Act 2015 have now been met and the vehicle now conforms to contract.

I know this may disappoint Mr W. However, he does not have to accept my decision and he is free to seek appropriate legal advice and pursue matters through a more formal route, such as court, should he wish to.

I'll now set out in more detail what I think Tandem should do to put things right.

#### Reimbursement of repair costs

For the reasons set out in my provisional decision, I remain of the view that Tandem should reimburse Mr W the costs (both direct and associated costs) he incurred repairing or replacing the rear air springs, coolant pump, compressor and front differential.

Mr W has itemised his costs as follows:

<b>Loss Number</b>	<b>Date of loss</b>	<b>Description</b>	<b>Amount (£)</b>
1	29 January 2024	Service & Diagnostics	£282.36
2	23 April 2024	Diagnostics – Water pump	£251.70
3	21 May 2024	Diagnostics – Suspensions and front differential change	£153.00
4	11 July 2024	Differential oil change	£193.69
5	17 July 2024	Rear suspension springs	£808.92
6	17 July 2024	Water pump replacement	£460.84
7	5 September 2024	Compressor	£1,700
8	18 September 2024	Front differential replacement	£3,311.15
<b>Total</b>			<b>£7,171.66</b>

I've looked through the information Mr W has provided. And, having done so, it appears many of the above costs (specifically Loss Number 3, 4, 5, 6 and 8) have been evidenced by way of invoices. Tandem should reimburse Mr W for these losses.

I can't see invoices for the specific figures quoted for Loss Number 1, 2 and 7. However, Tandem should also reimburse Mr W for Loss Number 1, 2 and 7 subject to receipt of evidence of said costs - and it should do so within a reasonable period of time.

#### Loss of earnings

Mr W has provided detailed testimony regarding his loss of earnings throughout the period he had problems with the vehicle. Mr W has explained that being unable to use the vehicle for periods of time over nine months *severely impacted* [his] *ability to work and maintain* [his] *financial obligations* as he relied on the vehicle for his work.

I have great sympathy for Mr W and I have no doubt that the problems he has had with the car has caused him difficulties with regards to his work. However, it is fair to say that this service would expect a consumer to take steps to mitigate financial losses by (for instance) hiring an alternative vehicle. And, if this had happened, I would direct Tandem to reimburse

Mr W for these additional costs.

I appreciate paying for an alternative vehicle may have been unaffordable bearing in mind Mr W was still paying for the faulty vehicle. But if that was the case, I think the fairest way to resolve this is to direct Tandem to refund part of the monthly payments for the entire period, as I've said in my provisional decision.

I appreciate this will come as a disappointment to Mr W, but I make no further award (beyond what I recommended in my provisional decision) in this regard.

### Credit file

I said in my provisional decision that, with regards to Mr W's credit file, Tandem should rework Mr W's account as if any missed payments were suspended during the period of the dispute so that no adverse payment information is shown.

Neither party disagreed with this. As no further information or evidence has been forthcoming, I see no reason to depart from my proposed resolution in this regard.

### Compensation

I said in my provisional decision that I'm satisfied that Mr W has been inconvenienced by what has happened. And Tandem should compensate him for this. I felt £200 – in addition to the other steps I proposed Tandem take to put things right – was fair in the circumstances.

I've not been presented with persuasive evidence in response to the provisional decision which leads to me to a different conclusion here. So, I remain of the view that Tandem should pay Mr W £200 in recognition of the distress and inconvenience caused due to its handling of the claim.

### **Putting things right**

For clarity, I consider a fair resolution to be for Tandem to take the following steps:

1. Reimburse Mr W the costs he has incurred in replacing the rear air springs, coolant pump, compressor and front differential. Mr W has itemised these costs at £7,171.66.

Of these, it appears £4,937.60 has been evidenced by way of invoices. Tandem should reimburse £4,937.60.

Further, Tandem should reimburse the remaining £2,234.06 subject of receipt of evidence of said costs. And it should do so within a reasonable period of time.

2. Reimburse 25% of the monthly payments Mr W has made under the agreement from January 2024 to the date the final repairs were carried out, to reflect the impairment to his use of the car;
3. Pay 8% simple yearly interest on the refunds (points 1 and 2), calculated from the date of payment until the date of settlement
4. Rework Mr W's account as if any missed payments were suspended during the period of the dispute so that no adverse payment information is shown on his credit file; and
5. Pay Mr W £200 in recognition of his distress and inconvenience due to its handling of

his claim.

**My final decision**

For the reasons I've set out here and in my provisional decision, my final decision is that I uphold Mr W's complaint. To resolve matters Tandem must take the steps I've set out above..

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 22 July 2025.

Ross Phillips  
**Ombudsman**