

The complaint

Mr L is unhappy that a car supplied to him under a hire purchase agreement with Go Car Credit Limited (Go Car) was of an unsatisfactory quality.

When I refer to what Mr L has said and what Go Car have said, it should also be taken to include things said on their behalf.

What happened

Mr L was supplied a used car via a hire purchase agreement with Go Car on 31 May 2024. The cost of the car was £10,299. Mr L paid a deposit of £1,500 followed by 60 monthly payments of £285.38 plus an option to purchase fee of £10. The car was first registered in May 2018 and had covered 78,538 miles at the time of supply.

On 25 March 2025 the car suffered a significant gear box failure. The car had covered 85,814 miles at this stage. The car has had a total of three expert examinations and opinions given.

The first was given by the garage to which the car was recovered to on failure and concluded that the fault was likely developing prior to Mr L's ownership.

The second, that was undertaken at the request of the supplying garage after Mr L had complained to Go Car, concluded that the issue was not present or developing at point of supply.

A third, which had sight of the first two reports, concluded that there was an issue with the durability of the car Mr L was supplied and it was not the responsibility of Mr L to pay for the repairs.

On 4 April 2025 Go Car issued their final response. They did not uphold Mr L's complaint. As the matter was raised more than six months after supply it was up to Mr L to prove that the fault was present or developing at the point of supply. They cited the second report as evidence that the fault was not present or developing at the point of supply.

As his complaint was not upheld by Go Car he complained to us.

On 4 June 2025 our investigator issued their decision. They felt that the final report provided compelling evidence that there was an issue with durability and that the car was not of satisfactory quality. So they upheld Mr L's complaint. In doing so they directed Go Car to:

- Pay £730 for the gear box
- Pay £460.20 for the repairs
- Refund April's payment as the car was off the road
- Pay £150 for the distress caused to Mr. L
- Pay 8% simple interest from date of payment to date of settlement

Go Car did not agree with the investigators decision. In addition to the second report they highlighted that Mr L would not have been able to travel 7,000 miles with the fault. They also said that Mr L had driven the car for 10 months and they had no evidence as to how it was driven.

As Go Car did not agree it has been passed to me to consider.

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 considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and (if appropriate) what I consider was good industry practice at the time.

Mr L was supplied with a vehicle under a hire purchase agreement. This is a regulated consumer credit agreement which means we are able to investigate complaints about it.

The Consumer Rights Act 2015 (CRA) is of particular relevance to this complaint. It says that under a contract to supply goods, there is an implied term that "the quality of the goods is satisfactory". The CRA 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 vehicle, 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 CRA 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. Where goods are second hand, as in this case, due regard must be had to the price, age and any description applied to the vehicle.

So, if I thought the vehicle was faulty or not fit for purpose when Mr L took possession of it and this made the vehicle not of a satisfactory quality, it'd be fair and reasonable to ask Go Car to put this right.

The CRA sets out some key dates post contract with regards the burden of proof in relation to the goods being of unsatisfactory quality. The CRA gives the consumer the automatic right to reject if the goods are not of satisfactory quality and that fault is discovered within 30 days. After that period but before six months the burden of proof is on the business to show that the faults were not present at supply and the goods are of satisfactory quality. After six months the burden of proof then resides with the consumer. So the onus is on Mr L, albeit on the balance of probabilities, to show that the fault was present or developing at the time of supply. This does include matters relating to durability.

Mr L was supplied with a car that was six years old and had travelled 78,538 miles at the time of supply. It is reasonable to expect that such a car would have a fair amount of wear and tear. That said a gearbox should be expected to last longer than many other parts associated with a car. A cursory look at the internet shows that gear boxes should last somewhere between 100,000 and 150,000 miles – but there are many factors that can impact on this. So, whilst this is a potentially premature failure it is not outside the bounds of possibility for this failure to reflect fair wear and tear.

The three reports provided as part of the evidence I have seen are helpful in exploring whether the problem with the gearbox was present or developing at the time of supply. I will consider the three different expert reports in turn.

The first was supplied by the garage the car was recovered to. This was provided on a document headed estimate with a reference Q041077 dated 25 March 2025. As well as describing the fault it contains the following statement "There is no reason to suggest driver error. We believe the fault would likely have been developing over a period and is likely to have been present prior to the current owner's purchase."

The second inspection, reference G3537174, took place on 2 April 2025. This report drew a number of conclusions, the two most relevant being:

- That the inspector was unable to confirm what exactly is at fault with the gearbox,
- As there were no records or information that any issues were present or reported with the gearbox, they were not present nor developing at the time of supply.

The third report, number SL120425-A and dated 12 April 2025, had the advantage of having sight of the first two reports. This report stated that the second report was limited in scope and its conclusion that the gearbox fault was not present or developing at the time of supply was not supported by the evidence. They felt that the first report was compiled from a more technically sound perspective.

The report drew three conclusions:

- The failure was not caused by Mr L's post supply mileage,
- The failure is more accurately attributed to the long-term historical neglect in servicing,
- The car had not been properly maintained prior to supply nor during the post purchase service carried out by the supplying garage.

The final conclusion of the report was there was a durability issue with the car supplied to Mr L and the cost of the repair should not be Mr L's responsibility.

Given the length of time after supply it is Mr L's responsibility to show that the car was not of satisfactory quality. Mr L not only purchased a second-hand car with all its inherent wear and tear, but one that he knew had limited service history prior to supply. That said all three reports knew the circumstances around the supply and two out of the three concluded that the fault was present or developing at the time of the supply.

The first and third reports are clear in their conclusions that the fault was either present and developing at the time of supply. The second drew a different conclusion but did state that the inspector was unable to confirm what exactly is at fault with the gearbox. Taking all three reports as a whole I believe that there is, on the balance of probabilities, sufficient evidence to conclude that the fault was either present or developing at the time of supply. I therefore uphold Mr L's complaint.

As I am upholding Mr L's complaint it is right and proper that Go Car take actions to put it right. Given the age and mileage of the car, plus the time lapsed between supply and the fault coming to light I would have recommended a repair and potentially compensation as the appropriate resolution. I note that Mr L has already had the car repaired at his cost and that is not unreasonable for him to have done so, given that his initial complaint was rejected by Go Car. It is therefore fair and reasonable that Go Car refund Mr L the amount he has paid for the repair.

Mr L paid £730 for the gearbox on an invoice dated 15 April 2025.

Mr L paid £460.20 for the fitting of the gearbox and sundries on 8 May 2025. The invoice was for a total of £552.18 but only the £460.20 related to the gearbox.

Mr L was also without the car during April, so it is right that Go Car refund that amount.

I also need to consider whether Go Car need to pay compensation for the distress and inconvenience of being supplied a car not of satisfactory quality. Mr L has stated that this has had a considerable impact on him. I need to balance that impact with the fact that in terms of failure it was resolved reasonably quickly. The investigator suggested £150 as an appropriate amount. I feel that this strikes the right balance and is an appropriate amount.

Putting things right

I uphold Mr L's complaint against Go Car and to put things right they need to:

- Pay to Mr L £730 for the gear box
- Pay to Mr L £460.20 for the repairs
- Refund April's payment as the car was off the road, namely £285.38
- Pay 8% simple interest per year on the three sums above from the date of payment to the date of settlement
- Pay £150 for the distress caused to Mr L

My final decision

My decision is that I do uphold this complaint against Go Car Limited. In order to settle this case they are directed to follow the redress above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 2 September 2025.

Leon Livermore
Ombudsman