

The complaint

Ms T complains about a car supplied under a hire purchase agreement, provided by Advantage Finance Ltd.

What happened

Around June 2024 Ms T acquired a used car under a hire purchase agreement with AFL. The car is listed with a cash price of £15,693 on the agreement, was around eight and a half years old and had covered around 64,300 miles.

Unfortunately, Ms T says the car developed issues. She said it needed to be topped up with oil and ad blue despite her being told it had been serviced before she got it. And she said there was an issue with the windscreen. The car then broke down at the beginning of November 2024 and needed recovering. Ms T said the breakdown company suspected a turbo failure.

At the beginning of November 2024 Ms T complained to AFL. An independent inspection was then carried out on 13 November 2024. The mileage was noted as 70,379.

AFL issued its final response at the end of November 2024. This explained, in summary, that the independent report said the engine damage had been caused by it running with low oil due to a lack of maintenance. So, AFL said it wasn't responsible.

AFL did offer to set up a reduced payment plan to free up some funds for repairs, but it didn't uphold the complaint.

Ms T remained unhappy and referred the complaint to our service. She said, in summary, that the person who carried out the independent report had been incompetent and was working along with AFL to complete biased reports. She said she had monitored the oil level and kept this topped up. She said she had to keep topping up the ad blue. And she said the car showed no warning lights before it broke down.

Our investigator issued a view and didn't uphold the complaint. She said, in summary, that she hadn't seen enough to make her think the independent report's conclusions were incorrect. She said given Ms T had covered over 6,000 miles in the car, it was likely it was of satisfactory quality when supplied.

Ms T responded and said she'd raised concerns that the car hadn't been serviced prior to her acquiring it by the dealer within a week of getting it. She said the car had other issues that hadn't been mentioned such as with the steering pump and windscreen. She said the breakdown report said the oil would've been 'dumped out' if the turbo failed and so she wasn't at fault.

Our investigator said she thought the car wouldn't have passed an MOT if the windscreen was a significant issue. She said she hadn't seen definitive evidence of a steering pump fault. And she explained the other comments didn't change her opinion.

Ms T responded and said she didn't think our investigator had properly reviewed the evidence.

As Ms T remained unhappy, the complaint was passed to me to decide.

I sent both parties a provisional decision on 13 June 2025. My finds from this decision were as follows:

I'd like to begin by explaining to both parties that I might not comment on every piece of evidence, nor every point raised. I have carefully considered all of the information in relation to this case. But I'm going to focus on what I consider to be the key facts and the crux of Ms T's complaint. This reflects the informal nature of our service.

Ms T complains about a car supplied under a hire purchase agreement. Entering into regulated consumer credit contracts such as this as a lender is a regulated activity, so I'm satisfied I can consider Ms T's complaint against AFL.

When considering what's fair and reasonable, I take into account relevant law, guidance and regulations. The Consumer Rights Act 2015 ('CRA') is relevant to this complaint. This says, in summary, that under a contract to supply goods, the supplier – AFL here – needed to make sure the goods were 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. It's important to note in this case that the CRA sets out that the durability of goods can be considered as part of satisfactory quality.

So, in this case I'll consider that the car was used and cost around £15,500, which is a significant reduction on what it would've originally retailed at. It was also around eight and a half years old and had covered over 64,000 miles. This means I think a reasonable person would have lower standards for this car than they would for a newer, less road worn model. But, I think they would still expect it to be free from anything other than relatively minor faults and would expect trouble free motoring for at least a relatively short time.

What I need to consider in this case is whether I think Ms T's car was of satisfactory quality or not.

It doesn't seem in dispute in this case that Ms T's car broke down at the beginning of November 2024 due to a failed turbo.

I've seen a 'report' from a breakdown company dated 2 November 2024. It says:

"TURBOCHARGER, BROKEN / SHATTERED"

The independent report from November 2024 stated:

"We then started the engine, which started easily, however this was found to be excessively noisy, consistent with a heavy timing chain rattle, there was also a very clear and evident turbo whine."

And an estimate from a manufacturer's garage from December 2024 gives the cost of replacing the turbo and stated:

"Investigation gives turbo failure as first point of repair"

Thinking about this, I also agree Ms T's car suffered turbo failure in November 2024. That brings me to what I'm satisfied is the crux of this complaint. That is why the turbo failed, and what this means for the satisfactory quality of the car.

The independent report is very firm in its conclusions here:

"At the time of inspection there was no evidence to suggest that the vehicle was not sold in a satisfactory condition for its age and mileage, and in our opinion the engine damage has been induced by a lack of maintenance i.e. the vehicles oil levels have not been checked regularly.

It is vehicle owners responsibility to check the engine bay fluid levels regularly, and as there was no evidence of any major oil leaks that could account for a sudden loss of oil, it leads us to conclude that the engine damage has been induced by a lack of maintenance, and therefore is not the responsibility of the sales agents."

AFL also said it believed the cause of the damage was Ms T not checking the oil levels.

But Ms T has been adamant that this wasn't the case. She's explained in some detail that she did regularly check the levels. And she said the manufacturer's garage and the breakdown report confirmed the oil loss happened suddenly.

I've reviewed the breakdown 'report', however this has minimal detail about this point.

The manufacturer's garage states in the estimate:

"All oil dropped out of the engine. possibly steering pump issue suspected."

I don't think this is perhaps as conclusive as Ms T suggests, however the estimate doesn't note the issue was due to user error.

So, there are a couple of possibilities here. Firstly, the engine could've been run with low oil that led to the turbo failure, when Ms T should've topped it up. This is what the independent report concludes. Or, secondly, the oil could have suddenly been lost because of the turbo failing, which Ms T suggests.

Our investigator found it likely that the independent report was correct here. But I'm less persuaded that this was the case. I say this because of Ms T's testimony about the issue. She's consistently said she did top up the oil and no warnings were displayed. And I need to consider the likelihood that she would ignore a low oil warning, for an extended period of time, on what was to her a relatively new car.

That being said, I don't need to make a finding on which of these scenarios I think most likely happened. I say this because, whichever conclusion I drew, I then wouldn't uphold the complaint either way. I'll explain why.

If the independent report and AFL are correct and Ms T drove the car with no oil in, presumably not checking the levels and ignoring warnings, I find clearly she would not have mitigated her losses. So I would conclude AFL shouldn't be responsible for the subsequent damage.

I've thought about what it would mean if the turbo failed suddenly and this was what caused the oil to be low. At the point of failure, the car had been driven over 6,000 miles since Ms T acquired it. I find Ms T could not have covered this mileage if the fault with the turbo was present or developing at the point of supply. So, this leads me to consider whether the car

was durable.

I might consider that the turbo failed somewhat earlier than expected given the mileage of the car. But, I also need to take into account that it was around nine years old. And, key to this case, I need to consider its service history.

Our investigator explained she thought the car had been 'appropriately maintained'. But, I disagree.

I've seen a copy of the car's service history. This car had a manufacturer's recommendation for a maximum of two years, or 21,000 miles, between services. But it appears the first service wasn't carried out until over three years after the car was first registered. The following service wasn't then carried out until over three years after the first.

So, I find it likely the car had, on two separate occasions, been ran for over a year outside of the recommended service intervals. This means parts of the engine, including the turbo, will likely have suffered from significantly more wear and tear than on a car maintained in line with the manufacturer's guidance.

Given this service history would need to be taken into account, I find a reasonable person would consider that the car was durable given Ms T was able to cover over 6,000 miles in it before the turbo failed. It follows I would find the car was of satisfactory quality, even if it wasn't driven with low oil.

I have considered that Ms T said she was told the car was 'well maintained'. But I haven't seen anything to suggest she was told it had a full service history.

So, in summary, I find if the turbo failed due to an error by Ms T, AFL are not responsible. And I find if the turbo failed due to different circumstances, a reasonable person would consider that the car was of satisfactory quality when taking into account all the relevant factors.

Ms T says she raised issues with the car early on and believes it wasn't serviced by the supplying dealer, as she was told it had been. I've seen a screenshot of a message to the dealer Ms T says was from September 2024. This said she didn't believe the car had been serviced as the oil was 'really black' and needed topping up. And she said the ad blue also needed topping up.

In relation to this, the independent report explained the oil would:

"likely blacken on this level of mileage, due to the internal build-up of carbon from the diesel engine."

I've thought about the ad blue and that Ms T says the oil needed topping up. But, I'm not persuaded this shows the car wasn't serviced. And I've seen no other evidence to suggest the car wasn't serviced by the supplying dealer. So, this doesn't change my opinion.

Ms T also said the windscreen looked like it had water marks on and wasn't clearing properly. She said it was 'delaminating' and was going to cost £620 to repair. I haven't seen further evidence of this. But, I think if this issue was severe enough to make the car of unsatisfactory quality, then the car wouldn't have passed an MOT before Ms T acquired it. So, this doesn't change my opinion.

I've also considered that Ms T said the car had an issue with the steering pump. The estimate from the manufacturer's garage states:

“possibly steering pump issue suspected”

Thinking about this, ‘possibly suspecting’ something is not confirming a fault. Even if I accepted this was a fault, there is then no evidence this was present or developing at the point of supply, nor that this issue would mean the car wasn’t durable. So, this doesn’t change my opinion.

I’d like to reassure Ms T that I’ve carefully considered all the other comments, points and evidence she’s raised. But I still initially think this complaint should not be upheld.

I gave both parties two weeks to come back with any further comments or evidence.

Ms T came back with some points to consider and sent some documents. AFL didn’t reply.

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’ve carefully thought about what Ms T said in response to my provisional decision.

She said, in summary, that any reasonable person would see issues were present before she got the car and weren’t disclosed to her. She said if a health check was carried out it would’ve seen the issues and if the MOT history had been passed on, she may not have acquired the car. She said the steering pump issue had been the subject of a recall. And she said a report she sent in showed the turbo issue was not caused by a lack of maintenance.

With regards to the health check, I’ve not seen enough to persuade me this would change the outcome regardless of what happened. And the MOT history would be limited with what it would show in relation to the turbo, and it wasn’t required to be given to Ms T before acquiring the car either way.

I’ve already explained my thoughts above about the steering pump and what Ms T said doesn’t change my opinion about this.

I’ve reviewed the ‘job card’ Ms T sent in from the garage. The printed text on this is the same as on the ‘estimate’ referenced in the provisional decision above, so I’m happy this has been considered. However, this version does have handwritten notes on. I’ve thought carefully about this, however I’m not putting too much weight on the handwriting as I don’t know who added this nor when. That being said, even if I accepted the notes are from a technician at the time, I still wouldn’t uphold the complaint.

I say this as, firstly, the notes say “*full Service History*”. But I’ve already explained above why I’m satisfied it’s likely there were significant gaps in the servicing. And secondly they say “*Turbo is a non-serviceable item. So wouldn’t be down to “poor maintenance”*”. But, while the turbo itself may not be specifically ‘serviced’, my understanding is that its lifespan can be significantly affected by the general servicing of the car, particularly in relation to oil changes. So, this doesn’t change my opinion.

I’d like to reassure Ms T that I’ve carefully considered all of the information on the case again along with what she recently sent it. But, having done so, I still think this complaint should not be upheld for the reasons set out above.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms T to accept or reject my decision before 5 August 2025.

John Bower
Ombudsman