

The complaint

Mr E complains that a car acquired under a hire purchase agreement with Advantage Finance Ltd ("Advantage") wasn't of satisfactory quality when it was supplied to him.

What happened

Both parties are familiar with the background of this complaint so I will only summarise what happened briefly here.

In March 2024, Mr E entered into an agreement to acquire a used car. He used a credit broker to source the finance, and the car was provided by a dealer (S). He paid a deposit of £1,100 for the car, with the balance being provided under a hire purchase agreement with Advantage. The car was seven years old and had covered approximately 96,000 miles when the agreement started. The agreement was for 60 months, with 59 monthly payments of £329.81 and a final payment of £529.61. The cash price of the car was £11,550.

Mr E has said that, a few days after taking delivery, the engine management light (EML) was illuminated. He said he took the car back to S, who kept it for a day and then told him it had been fixed.

Mr E experienced more problems three months later and attempted to fix the issues himself. He had sensors replaced in the camshaft, but that didn't seem to work. He got in touch with Advantage in November 2024 to say he wanted to reject the car as it wasn't of satisfactory quality. Advantage told Mr E he needed to show any faults were present when he was supplied with the car, as it had been in his possession for longer than six months.

Mr E provided some repair costs and diagnostic reports to Advantage which confirmed the EML was illuminated and was related to issues with the timing and crank case ventilation. The repair costs were approximately £3,200. Advantage arranged for an independent inspection to take place. The car had covered approximately 105,400 miles at this point. This inspection confirmed the faults with the crank case and camshaft, and said the faults were as a result of wear and tear based on the age and mileage of the car. Because of this, Advantage didn't uphold Mr E's complaint. They said the car was of satisfactory quality when it was supplied to him.

Mr E brought his complaint to our service. Our investigator didn't uphold it. He said the report confirmed the faults were as a result of wear and tear, when considering the car's age and mileage, so Advantage didn't need to do anything.

Mr E didn't agree. He felt the repair costs were excessive considering he'd only had the car for a few months.

As Mr E didn't accept, 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.

When considering what is fair and reasonable, I'm required to take into account: relevant law and regulations, relevant regulatory rules, guidance and standards and codes of practice.

Both parties have provided a lot of information in this case. I'd like to reassure them both that I've read and considered everything that's been sent. But, I will be focussing my comments on what I think is relevant. If I don't comment on a specific point, it isn't because I haven't considered it, but because I don't think I need to comment in order to reach what I think is the right outcome. This is not intended as a discourtesy but reflects the informal nature of this service in resolving disputes.

Mr E has made a lot of reference to S in his submissions to our service. And I empathise with his situation with them. But I think I need to start my decision by explaining what I am looking at, and who I am considering the complaint against. I'm only looking at Advantage's responsibility here as the finance provider for the car. Mr E was introduced to Advantage by a credit broker, so Advantage also have responsibility for anything the credit broker said or did pre-sale, as they were acting as agents of Advantage at that time – but Advantage don't have any responsibility for anything S have said or done pre-or post-sale. S haven't been acting as agents of Advantage at any point, and I can't consider their actions.

As the hire purchase agreement entered by Mr E is a regulated consumer credit agreement this service is able to consider complaints relating to it. Advantage are also the supplier of the goods under this agreement and are responsible for a complaint about their quality.

The Consumer Rights Act 2015 (CRA) covers agreements like the one Mr E entered. Because Advantage supplied the car under a hire purchase agreement, there's an implied term that it is of satisfactory quality at the point of supply. Cars are of satisfactory quality if they are of a standard that a reasonable person would find acceptable, taking into account factors such as, amongst other things, the age and mileage of the car and the price paid.

The CRA also says that the quality of goods includes their general state and condition, and other things like their fitness for purpose, appearance and finish, freedom from minor defects and safety can be aspects of the quality of the goods.

Satisfactory quality also covers durability. For cars, this means the components must last a reasonable amount of time. Of course, durability will depend on various factors. In Mr E's case, the car was used and had covered approximately 96,000 miles when he acquired it. So, I'd have different expectations of it compared to a brand-new car. Having said that, the car's condition should have met the standard a reasonable person would consider satisfactory, given its age, mileage, and price.

Our investigator has explained that he thinks the car was of satisfactory quality when it was supplied to Mr E. I agree in this case. There is no doubt the car has faults – the reports provided by both parties confirm that. But, from what I've seen, I'm not persuaded the faults currently seen with the car were present or developing at the point of supply. So, it follows that I'm satisfied the car was of satisfactory quality when it was supplied to Mr E. I'll explain why.

Mr E initially made Advantage aware of his concerns with the car in November 2024, eight months after he'd been supplied with it. So, I need to consider if Advantage have done what I'd expect them to have done once they were aware there were problems with the car. As this was outside of six months since Mr E had been supplied with the car, it was for him to show any faults would have been present at the point of supply.

I appreciate Mr E has shown that the EML was on shortly after taking delivery of the car. But he hasn't provided anything to confirm why that might be the case, and there could be many reasons why the EML was illuminated. That in itself doesn't mean the car was of unsatisfactory quality at that time. Similarly, Mr E has provided receipts and reports from independent garages that show there is a fault with the car, particularly in relation to the crank case ventilation and camshaft. But again, none of the reports provided by Mr E confirm that the faults now seen would have been present or developing at the point of supply.

On the other hand, Advantage arranged for an independent inspection report to be done. This was a visual inspection of the car by a qualified technician. Considering the description of the faults, how long Mr E had had the car, and the mileage he had covered, I don't think it's unreasonable for Advantage to have asked for some independent evidence to confirm or not that the car had an inherent fault. I appreciate Mr E has questioned the validity of this report, but he hasn't provided anything to make me think the inspection hasn't been carried out as expected. The report was written by an independent expert with details of their credentials and a statement to the court.

The independent inspection is, in my opinion, the most persuasive piece of evidence in this case. The car had covered approximately 105,440 miles at this point. The expert concluded that the car was displaying faults with the crank case and camshaft position, but those faults were more likely than not as a result of wear and tear on the timing chain due to its age, rather than a fault that would have been present at the point the car was supplied. Based on the findings of the report, I don't think Advantage treated Mr E unreasonably by not allowing him to reject the car. They are only liable if the faults were present at the point the car was supplied to Mr E, and the evidence in this case doesn't confirm that.

As mentioned previously, the car Mr E acquired was seven years old and had covered approximately 96,000 miles when it was supplied to him. It's fair to say the car was far from new. This means that the standard a reasonable person might expect from it would be lower than for a car that had covered fewer miles. Acquiring a used car carries some inherent risks, not least of which is that sooner or later items, or components of the car, will need repair or replacement.

Mr E had had the car for twelve months and the car had covered approximately 9,500 miles when the independent report was carried out. As previously stated, I'm satisfied that a reasonable person would expect to have to repair or replace some wear and tear components on a used car sooner than they would on a new one. In Mr E's case it seems the requirement to replace the parts now found to be faulty has come sooner than he was expecting, but I'm not persuaded that means the car wasn't of satisfactory quality when it was supplied to him. I'm more persuaded that the work needed now to repair the car needs doing as a result of wear and tear.

I know this decision will come as a disappointment to Mr E and he has a car that requires significant work at cost to be carried out to make it roadworthy. But I can only conclude Advantage are responsible for that if I am persuaded the evidence shows the faults were present or developing when the car was supplied to Mr E. The evidence in this case doesn't support that, so I won't be asking Advantage to do anything further here.

I'd remind Mr E that's he able to reject this decision if he thinks he can achieve a better outcome by alternative means, such as through the courts.

My final decision

For the reasons above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 25 November 2025.

Kevin Parmenter
Ombudsman