

The complaint

Miss M is unhappy that a car supplied to her under a hire purchase agreement with Startline Motor Finance Limited (Startline) was not of satisfactory quality and misdescribed.

When I refer to what Miss M has said and what Startline have said, it should also be taken to include things said on their behalf.

What happened

On or around 8 March 2024 Miss M was supplied a car financed via a hire purchase agreement with Startline. The car was first registered in January 2018 and had travelled around 64,438 miles. The agreement shows that the cash price was £7,980, with Miss M paying a deposit of £676.23 followed by 47 monthly payments of £238.22 and a final payment of £248.22.

Shortly after purchase Miss M started experiencing problems with the car, including headlights and brakes. There were then further problems with the engine management light coming on. In July the car went in for work and had the lambda sensor replaced. The car eventually broke down in September 2024 and would not start. An expert inspection of the car in November 2024 concluded the problems were present from the time of supply.

Miss M complained to Startline and they issued their response to Miss M's complaint on 21 February 2025. They partially upheld her complaint. They agreed to unwind the contract but were not prepared to return any of the payments that Miss M had paid. This was to reflect damage to the car and the mileage that Miss M had covered in the car. They did offer Miss M £250 as compensation. As Miss M was not happy she complained to us.

Our investigator issued their view on 12 June 2025 and did not uphold Miss M's complaint. They concluded that the car was of unsatisfactory quality, citing the expert inspection as evidence. They felt that it was fair that Startline retained the money that Miss M had paid due to the damage to the car and mileage covered. The £250 offered by Startline was in line with what we would have recommended in these circumstances.

Miss M did not agree with the investigator's view. She highlighted a discrepancy in mileage that meant she felt that the car was misdescribed. She further questioned the damage to the alloy wheels and highlighted how much she had paid as being unreasonable given the circumstances.

As Miss M did not agree it has been passed to me to consider.

Your text here

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.

Miss M 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.

The CRA also states that where goods are sold by description there is a clause included in the contract that the goods must match the description. So, the description applied to the car is not just important in terms of deciding whether it is of satisfactory quality but also if it has been misdescribed.

So, if I thought the vehicle was faulty or not fit for purpose when Miss M took possession of it and this made the vehicle not of a satisfactory quality, it'd be fair and reasonable to ask Startline to put this right. Equally if I thought that the vehicle had been misdescribed then it would also be fair and reasonable to ask Startline to put this right.

Firstly I need to consider whether there is a fault with the car and if there is, does that fault make the car of unsatisfactory quality. I need to decide this on the balance of probabilities and on the evidence provided by both parties.

Looking at the case file I do believe that there is sufficient evidence to show that there is a fault with the car. Whilst the issues with the headlights and tyres that Miss M experienced shortly after receiving the car could be classed as reasonable wear and tear, the subsequent issues with the lambda sensor and catastrophic breakdown in September are more serious. The expert inspection carried out on 27 November 2025 supports this position.

Having a fault with the car does not necessarily mean that it is of unsatisfactory quality. I have to take into account the age and the mileage of the car at the time of supply, so clearly it would be wrong to hold a car first registered in January 2018 and having travelled 64,438 miles to the same standard as a new car.

As the faults manifested themselves within the first six months, the onus would be on Startline to show that the car was of satisfactory quality. Both them and the supplying dealer have accepted the unwinding of the agreement, so appear to accept that the car is not of satisfactory quality.

That view is supported by the expert inspection carried out in November that concluded:

"Heavy oil consumption was most likely present at the time of sale despite the high mileage elapsed since sale. The loss of control over oil levels and the operation of the car with low oil level, finally resulted in the recent demise of the engine.

Thus it can be regarded that the car was in the early stages of increasing oil consumption approaching unacceptable levels, at the time of the sale”.

I am therefore content that the car is of unsatisfactory quality and the time of supply.

I now need to consider whether Startline have done enough to put it right. It is accepted by both the supplying dealer and Startline that Ms M has the right to reject the car.

Section 24 (8) of the CRA states “If the consumer exercises the final right to reject, any refund to the consumer may be reduced by a deduction for use, to take account of the use the consumer has had of the good in the period since they were delivered...”

Startline have argued that the deductions are for the mileage covered and damaged caused to the car whilst in Miss M's possession. They have provided photographic evidence of the damage. Miss M was asked to provide any counter evidence and whilst she did provide some photographs none of these were of the areas that were claimed to be damaged. The deductions that Startline have made are as follows:

- Repair of two alloy wheels at £80 plus VAT each
- A full valet due to the state of the car £200
- Repair of the damage to the headline £2,455.42 inc VAT and fitting
- Restocking fee £45
- Re advertising fee £146
- Fair use at 45p per mile £5,416.65

I need to decide whether these deductions are reasonable. Having seen photographs of the damage to the car when returned I am content that the first three elements of the deductions are valid. As the car was rejected because it was of unsatisfactory quality I do not believe restocking or readvertising fees are valid deductions.

Startline have deducted 45p per mile as fair usage. The CRA does not set out how any deduction should be calculated but it does need to be fair. The 45p rate is based on the HMRC rates for tax purposes, but this takes into account petrol, insurance and maintenance costs so may be considered excessive considering that the deductions are for usage. One way of calculating the relevant deduction would be not to refund the monthly payments for when Miss M had use of the car, namely March to September. If mileage rather than monthly payments are to be used the government funded business advice website business companion (<https://www.businesscompanion.info/focus/car-traders-and-consumer-law/annex-c-deduction-use-calculations-a-proposal>) provides some helpful guidance. This would indicate a mileage deduction of between 12-18p per mile would be more relevant.

This would give a range of somewhere between £1,428 (monthly payments) to around £1,805 (based on 15p per mile). Whilst I believe that the deduction should be more than the mere six monthly payments, because of the higher than average mileage, I will use the lower figure to calculate the reasonable deductions as follows:

- Two alloy wheels at £192
- Valet £200
- Headline repair £2,455.42
- Deduction for use £1,428

This would give a minimum reasonable deduction of £4,275.42.

Looking at the agreement Miss M has paid a deposit of £676.23 and ten monthly payments totalling £2,380. This gives a total payment of £3,056.23. As this figure is below the minimum reasonable deduction then it is fair that in unwinding the agreement Startline do not need to refund any of Miss M's payments made.

I know that Miss M has raised the potential issue of the car being misdescribed. The discrepancy of being between the MOT showing 64,761 miles and the agreement showing 64,438 miles. For me to consider a claim of misdescription Miss M would need to show that the mileage as shown on the odometer at the time of supply was false. Given that the mileage discrepancy is nominal there isn't sufficient evidence produced to show that a false description has been applied to the car and it isn't simply a case of a mistake being made on recording the mileage on the MOT. However to a certain extent it is a moot point. Even if Miss M was able to show the car had been misdescribed the remedy available to her is the same as for the car being of unsatisfactory quality, so there is no advantage to her.

Miss M has been inconvenienced by being supplied a car of unsatisfactory quality and Startline have offered her compensation of £250 in recognition of that. This amount is inline with what we as a service would have directed them to do in these circumstances.

So whilst Startline have supplied a car of unsatisfactory quality to Miss M I believe that in accepting rejection, unwinding the agreement with nothing further to pay by Miss M and offering £250 compensation that have done enough to put things right. I therefore do not uphold Miss M's complaint.

My final decision

I do not uphold this case.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 7 December 2025.

Leon Livermore
Ombudsman