

The complaint

Mr P complains that a car that was supplied to him under a hire purchase agreement with First Response Finance Limited wasn't of satisfactory quality. Mr P's representative is also involved in his complaint.

What happened

I issued a provisional decision on this complaint earlier this month in which I described what had happened as follows:

"A used car was supplied to Mr P under a hire purchase agreement with First Response Finance that he electronically signed in January 2024. The price of the car was £9,798, Mr P part-exchanged a car which was given a value of £2,000 and he agreed to make 49 monthly payments of £282.69 to First Response Finance.

There were issues with the car and Mr P contacted First Response Finance about those issues in June 2024. He then complained to it in September 2024 and it responded to his complaint in November 2024 but didn't uphold it. It said that each fault must be investigated individually and the faults in question had been found to have occurred post sale and be connected to the overall age and mileage of the car. It said that those faults and the repairs would be Mr P's responsibility. Mr P wasn't satisfied with its response so complained to this service. First Response Finance says that Mr P hadn't made the monthly payments due under the hire purchase agreement since August 2024 and he'd abandoned the car at a garage so it collected the car.

Mr P's complaint was looked at by one of this service's investigators who, having considered everything, didn't think that First Response Finance had acted fairly. He didn't think that the car was of satisfactory quality at the point of supply because it wasn't reasonably durable and he thought that Mr P should now be allowed to reject the car. He recommended that First Response Finance should end the agreement and collect the car (if that hadn't been done already), refund Mr P's deposit of £2,000 and the £78 that he paid for an inspection and diagnostic report in October 2024, both with interest, pay Mr P £400 for any distress or inconvenience that's been caused; and remove any adverse information from Mr P's credit file in relation to the agreement.

First Response Finance didn't accept the investigator's recommendation. It says, in summary and amongst other things, that: the evidence that it has confirms that the issues were unrelated; and Mr P abandoned the car and said that the dealer had taken ownership of the car so it collected the car but that wasn't an admission of any liability. It offered to write off the £10,359.29 balance on Mr P's account and to show it as settled on his credit file, but it said that it wouldn't reimburse any contractual payments or pay anything additional to that. Mr P didn't accept that offer so I've been asked to issue a decision on this complaint".

Provisional decision

I set out my provisional findings in that provisional decision. I said:

“First Response Finance, as the supplier of the car, was responsible for ensuring that it was of satisfactory quality when it was supplied to Mr P. Whether or not it was of satisfactory quality at that time will depend on a number of factors, including the age and mileage of the car and the price that was paid for it. The car that was supplied to Mr P was first registered in November 2016 so was more than seven years old, the hire purchase agreement shows that it had been driven for 88,586 miles and the price of the car was £9,798. Satisfactory quality also covers durability which means that the components within the car must be durable and last a reasonable amount of time – but exactly how long that time is will depend on a number of factors.

Mr P has provided a detailed description of the issues that he had with the car which he says started when he was driving home from having collected the car from the dealer and a red engine hazard light came on. He says that he contacted the dealer and was advised to take the car to a garage that it used and he left the car with the garage for it to have a look at it but when he collected the car the warning light came on again. He says that the issues continued and the car broke down in June 2024. The breakdown report says that there were fault codes relating to the thermostatic heating control and fuel pressure control valve and recorded the car’s mileage as 94,305 miles. The garage replaced the fuel pump without charge to Mr P and the car’s thermostat sensor was also replaced without charge to Mr P.

I consider it to be more likely than not that there were issues with the car, either present or developing, when it was supplied to Mr P in January 2024 but the car’s fuel pump and thermostat sensor have been replaced. I consider those repairs, that were accepted by Mr P, to have been a fair and reasonable remedy for those issues.

Mr P continued to have issues with the car and he’d contacted First Response Finance about the issues and it offered to cover the cost of recovery of the car and inspection at a local independent garage of his choosing. The car was inspected by another garage in October 2024 and the inspection and diagnostic report identified issues with the car that needed attention. Those issues were: the engine, antilock brakes, airbag, body system, climate control, electronic parking brake, instrument panel, lane assist, power steering, radio, and tyre pressure monitor; and the report listed fault codes including codes relating to the fuel pressure sensor and the fuel pressure control function. The car’s mileage is recorded on that report as 99,324 miles. The car had passed an MOT test, with no advisories, in January 2024 and its mileage was recorded at that time as 88,666 miles. In about nine months between the January 2024 MOT test and the October 2024 inspection the car had been driven for 10,658 miles.

I’m not persuaded that any issues that Mr P was experiencing with the car in October 2024 were likely to have been present or developing when the car was supplied to him in January 2024 as the car had been driven for more than 10,500 miles in that time and the fuel pump and thermostat sensor have been replaced. The car was nearly eight years old at the time of the inspection and the report doesn’t include, and I wouldn’t expect it to include, any opinion as to whether or not the identified faults would have been present when the car was supplied to Mr P or caused the car not to have been of satisfactory quality at that time.

Mr P says that the car was delivered back to him after the inspection and remained on his driveway undriveable until it was recovered back to the garage for it to have another look at it. First Response Finance says that the garage confirmed to it that the current issues weren’t present on the car when it was sold and advised that it

couldn't have travelled the mileage that had been covered since January 2024 with those type of issues present. The garage also said that the issues were deemed to be wear and tear and weren't related to the previous repairs.

Mr P stopped making the monthly payments for the car in August 2024, but between June and October 2024 the car was driven for more than 5,000 miles. Mr P had agreed in the hire purchase agreement to make monthly payments of £282.69 to First Response Finance and I don't consider that he acted fairly and reasonably in stopping those payments. First Response Finance says that it has collected the car from the garage and, in response to the investigator's recommendation, it offered to write-off the £10,359.29 balance on Mr P's account and to show it as settled on his credit file. I consider that to be a fair and reasonable outcome in these circumstances. I'm not persuaded that it would be fair or reasonable for me to require First Response Finance to refund to Mr P any of the value of the car that was part-exchanged, to pay him any compensation or to do any more than it has offered to do in response to Mr P's complaint".

Subject to any further comments or evidence that I received from Mr P, his representative and First Response Finance, my provisional decision was that I intended to uphold this complaint. Mr P says, in summary, that: he couldn't possibly have clocked up 10,000 miles in the car and he's compared that mileage to the mileage driven in his replacement car which he's had for almost a year and which has done half the mileage in a year than the other car apparently did in nine months; and this could be another fault with the car as everything electronic in the car wasn't right.

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.

Having done so, I'm not persuaded that I should change my provisional findings. Mr P says that he couldn't possibly have driven 10,000 miles in the car and I've considered what he's said about the car's mileage but I'm not persuaded that there's enough evidence to show that the car's odometer is faulty or that the car's mileage is incorrect. The car had passed an MOT test in January 2024 when its mileage was recorded as 88,666 miles, its mileage when it broke down in June 2024 was 94,305 miles and when it was inspected in October 2024 it was 99,324 miles.

I consider that First Response Finance's offer to write-off the £10,359.29 balance on Mr P's account and to show it as settled on his credit file is a fair and reasonable outcome in these circumstances. I'm not persuaded that it would be fair or reasonable for me to require First Response Finance to refund to Mr P any of the value of the car that was part-exchanged, to pay him any compensation or to do any more than it has offered to do in response to Mr P's complaint.

Putting things right

I find that it would be fair and reasonable in these circumstances for First Response Finance to take the actions described above and as also set out below.

My final decision

My decision is that I uphold Mr P's complaint and order First Response Finance Limited to:

1. End the hire purchase agreement.

2. Write-off the outstanding balance on Mr P's account.
3. Report the hire purchase agreement as settled to the credit reference agencies.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 27 October 2025.

Jarrold Hastings
Ombudsman