

The complaint

Mrs H complains that the car she acquired through AutoMoney Limited (“AutoMoney”) wasn’t of satisfactory quality. She wants it to accept rejection of the car and then cancel the credit agreement.

What happened

Mrs H entered into a hire purchase agreement in July 2024 to acquire a used car. The cash price of the car was £8,490, and the total repayable was £13,392.20, and was to be repaid through the credit agreement which was set up over a 60-month term with monthly payments of £211.57. At the time of acquisition, the car had already been driven more than 63,000 miles and was just over seven years old.

Mrs H told us:

- She first experienced issues with the car within a couple of days of acquiring it – the car engine was making a funny noise;
- her own garage looked at the car and said that the heat shield was loose; the car needed a new drive shaft; and the levels of coolant and oil were low;
- she returned the car to the supplying dealership on 18 August, but she’s since had correspondence from AutoMoney to say there’s no fault with the car;
- AutoMoney completed its own inspection, which it would not share with her, and on the basis of its conclusions, it said it would not let her return the car, and it wouldn’t return her deposit;
- the whole situation has been extremely stressful and resulted in her having a considerable amount of time off work;
- this was the second car she’s had from the supplying dealership – the first car, a black one was returned because within an hour of delivery, she noticed scratches on the bodywork and the car’s keyless entry did not work. She took this car back after a few days and it was swapped a week later for the white car from the same manufacturer that this complaint is about;
- she does not believe the integrity of the inspection undertaken by AutoMoney because it had the car for a month after she returned it, and *“they could of done anything with it in this time”*;
- AutoMoney has reimbursed her the £146 she paid for diagnostics together with a goodwill payment of £100, but it will not accept the car’s rejection.

AutoMoney initially told Mrs H that the supplying dealership could find no evidence of the faults she reported, and that it was considering an independent inspection to validate this. It explained that the time to arrange an inspection would cause it a delay in concluding its investigation of Mrs H’s complaint, and it said that *“The results of a further inspection could impact on your short term right to reject if no fault were to be identified”*.

Once the inspection had been completed, AutoMoney rejected Mrs H’s complaint. It said that not only had the supplying dealership’s own *“technicians inspected the vehicle but were unable to identify any faults causing the vibrating noise you reported”*, it had arranged an independent inspection of the car. On the basis of that inspection, AutoMoney concluded

that *“the noise levels are consistent with a car of this age and mileage”*, and it would not accept rejection of the car.

Our investigator looked at this complaint and said he thought it should be upheld. He concluded that the car wasn't of satisfactory quality when AutoMoney supplied it to Mrs H, and he recommended that AutoMoney accept rejection of the car.

AutoMoney disagrees so the complaint comes to me to decide. It says there is no *“tangible fault with the vehicle that would justify either a repair, rejection or unwind” ... “the customer has been attempting to return this (and a previous vehicle) in what [the supplying dealership] consider to be a case of buyer's remorse”*. AutoMoney says the independent engineer's report is clear, it says there's no evidence of a fault with the car.

My initial conclusions are set out in my provisional decision. In it I said I didn't think that Mrs H's complaint should be upheld, and I explained my reasoning as follows:

“When looking at this complaint I need to have regard to the relevant laws and regulations, but I am not bound by them when I consider what is fair and reasonable.

As the hire purchase agreement entered into by Mrs H is a regulated consumer credit agreement this Service is able to consider complaints relating to it. AutoMoney is also the supplier of the goods under this type of agreement, and it is responsible for a complaint about their quality.

Under the Consumer Rights Act 2015 (“CRA”) there is an implied term that when goods are supplied “the quality of the goods is satisfactory”. The relevant law says that the quality of the goods is satisfactory if they meet the standard that a reasonable person would consider satisfactory taking into account any description of the goods, price and all other relevant circumstances.

The relevant law also says that 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 can be aspects of the quality of the goods. So, what I need to consider in this case is whether the car supplied to Mrs H was of satisfactory quality or not.

The CRA says a short-term right to reject exists if the car supplied is not of satisfactory quality; is unfit for purpose; or is not as described, and the customer – in this case Mrs H – exercises their right to reject it within the first 30 days.

The CRA also says that, where a fault is identified within the first six months, it's assumed the fault was present when the car was supplied, unless AutoMoney can show otherwise. But, if the fault is identified after the first six months, then it's for Mrs H to show the fault was present when she first acquired the car. So, if I thought the car was faulty when Mrs H took possession of it, and this made the car not of a satisfactory quality, it'd be fair and reasonable to ask AutoMoney to put this right.

Two entities have provided comments on the car; Mrs H's own garage and an independent engineer. I'm going to focus on what the independent expert has said. I don't mean any disrespect towards the garage that Mrs H contacted, but it's neither independent, nor in a position to give an opinion on the existence of the fault relative to the car's age and the mileage driven.

In this particular case, a third-party was instructed to carry out an independent inspection of Mrs H's car. It is a recognised and trusted expert in this arena. From reading its report, it's

clear that it was provided with an accurate background that clearly set out the issues. I say this because the report background says, "Customer has reported issues with noise on car and thinks it needs new driveshaft" ... "Please advise if you think there is any issue with noise on suspension or possible driveshaft problem and if there are grounds to cancel agreement".

The engineer confirms that they conducted a road test and drove the car at speeds up to the national speed limit. The engineer reported:

- *"The vehicle drives as normally expected for its type, age and recorded mileage".*
- *"It drove without excessive noise, vibrations, and all major units and running gear are operating normally".*
- *"There were no issues with the brakes noted and the expected levels of power assistance from the steering; no warning lights displayed on the drivers panel and no evidence of excessive smoke from exhaust or any evidence of overheating".*
- *"On completion of the road test a scan of the vehicles ECU revealed no fault codes".*
- *"Final checks in and around the engine bay revealed no evidence of coolant leakage no evidence of any oil leakage and no evidence of over pressurising of the cooling system".*

The independent engineer concluded that:

- *"The vehicles overall general condition was considered acceptable for its age and mileage with no unusual noises noted".*
- *"We believe the noise level from the steering and suspension components is considered acceptable for a used vehicle approaching 65,000 miles. Undoubtedly these are slightly elevated in comparison to a brand-new vehicle, however as stated previously the noise level was considered acceptable for a used vehicle of this age and mileage".*
- *"There is no doubt the vehicle is currently fit for purpose and of a satisfactory overall general condition for its age and mileage and would have been so at the point of sale".*

The engineer makes no cautionary statements about the conclusions reached, or that a different conclusion may have been reached with additional information. The instruction of an independent inspection is what's required and expected of AutoMoney in these circumstances. And in the absence of any other persuasive and independent evidence to the contrary, I'm not currently persuaded that Mrs H's car was of unsatisfactory quality when supplied.

And because the car was not of unsatisfactory quality at the point of supply, and because there's no evidence that the car is unfit for purpose, or that it is not as described, I'm currently satisfied that Mrs H has no short-term right to reject it".

I asked each party to let me have further information, by 16 July, that they'd like to me consider, but I've received no further comments from either party.

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, and in the absence of any additional evidence or testimony from either party, I've decided not to uphold this complaint, for the same reasons I previously gave.

I know Mrs H will be disappointed with the outcome of her complaint, but I hope she understands why I reached the conclusions that I have.

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 Mrs H to accept or reject my decision before 14 August 2025.

Andrew Macnamara
Ombudsman