

The complaint

Mr E complains that a car supplied to him under a finance agreement with Blue Motor Finance Ltd trading as Blue Motor Finance ('BMF') was of unsatisfactory quality.

What happened

The parties are familiar with the background details of this complaint – so I will briefly summarise them here. It reflects my role resolving disputes with minimal formality.

Mr E acquired a used car under a hire purchase agreement in May 2024; the car was five years old with a cash price of £8,995 and had covered around 90,000 miles.

Days after acquiring the car Mr E got in touch with the supplying dealership and explained the engine management light (EML) had illuminated. Mr E didn't receive a response and so arranged for repairs to be carried out soon after. The car underwent several repairs before Mr E got in touch with BMF and the supplying dealer who undertook further repairs.

In October 2024 Mr E raised a complaint. BMF looked into things and upheld the complaint because the dealership was already assisting in repairs.

Our Investigator looked into things and said the car wasn't of satisfactory quality and because of this BMF should take further steps to put things right. Amongst other things he recommended BMF reimburse Mr E for the repairs previously carried out and for it to pay Mr E for the distress and inconvenience he would've suffered.

I issued a provisional decision on 10 October 2025 where I explained my intention to uphold that complaint. I said:

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 good industry practice at the time. Mr E was supplied with a car under a hire purchase agreement; this is a regulated consumer credit agreement which means we're able to investigate complaints about it.

The Consumer Rights Act 2015 (CRA) covers agreements like the one Mr E entered. Because BMF supplied the car under a financial 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 the age and mileage of the car and the price paid.

The CRA also says that the quality of goods includes the general state and condition, and other things such as its 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. Durability means that the components of the car must last a reasonable amount of time.

The CRA also implies that goods must conform to contract within the first six months. So,

where a fault is identified within the first six months, it's assumed the fault was present when the car was supplied, unless BMF can show otherwise. But where a fault is identified after the first six months, the CRA implies that it's for Mr E to show it was present when the car was supplied.

So, if I thought the car was faulty when Mr E took possession of it, and this made the car not of a satisfactory quality, it'd be fair and reasonable to ask BMF to put this right. I've considered all of the available information, and I've thought about whether there was a fault with the car which made it of unsatisfactory quality at the point of supply.

Mr E has provided evidence in the form of a screenshot, which demonstrates that he raised concerns regarding the illumination of the EML only a few days after taking ownership of the vehicle. From my review, it is clear that Mr E and the supplying dealership had previously communicated through this method, with both parties having sent and received messages.

However, there is no indication that Mr E received a response to his query on this occasion. Instead, he took the vehicle to an alternative garage for inspection at which time the repairer confirmed that a fault had indeed been present. Mr E stated that the issue was initially rectified, but the EML warning soon reappeared. Consequently, the vehicle was returned to the same repair garage where the mechanic reported:

'Found slight play on top of actuator rod penny, recommend removal of catalytic and check for play at the back of the turbo'.

The vehicle subsequently experienced a catastrophic mechanical failure leading to a complete turbo replacement in August 2024. Mr E duly reported these developments to the supplying dealership.

While the dealership accepted responsibility for carrying out certain repairs, it asserted that the vehicle had been returned in poor condition due to previous unauthorised work. It therefore agreed to cover only the cost of its own repairs and claimed that Mr E should bear the expenses for the replacement coil packs and spark plugs, arguing these arose from previous substandard repairs. But I'm afraid I don't agree.

The evidence shows that Mr E sought assistance from the dealership through a personal number rather than an official channel, but as I've explained above, he had communicated via this method previously without issue. On this basis I don't think it'd be fair or reasonable to conclude that Mr E undertook unauthorised repairs. Given the speed at which the mechanical failures developed, it is apparent that Mr E was acting responsibly to prevent further damage by having the car promptly inspected.

Having considered the nature of the faults and the vehicle's age and mileage, I am satisfied that a reasonable person would not have expected such extensive repairs to be necessary within only a few months of purchase. The car had reportedly been driven for approximately three months but during this time, it wasn't fault free. As such, I find that Mr E has afforded the dealership sufficient opportunity to inspect and repair the vehicle, and those repairs have since been completed. Therefore, I am satisfied that the vehicle is now free of faults. Nonetheless, BMF must take further steps to put things right.

Putting things right

Given my findings, in my view Mr E didn't carry out unauthorised repairs. So, I think it is fair and reasonable that BMF reimburse Mr E for the costs incurred in replacing the turbocharger and MAP sensor, as well as the exhaust front pipe and all associated diagnostic charges.

In addition, Mr E incurred expenses for having the vehicle towed to both an independent garage and the supplying dealership. It is, therefore, fair and reasonable for BMF to reimburse these towing costs as well.

As the vehicle was of unsatisfactory quality at the time of sale, and as Mr E has been unable to use it since September 2024, yet has continued to make monthly payments, I find it appropriate that BMF refund these payments. There is no evidence to suggest that Mr E was kept mobile by any other means.

Furthermore, I do not consider Mr E liable for any potential storage costs. Mr E has said he was not informed that the car was ready for collection. The most recent correspondence from BMF in November 2024, confirmed that the vehicle was still undergoing repair and I've not been given any evidence to contradict this so I will not recommend that Mr E pay any storage charges.

I don't doubt that this matter has caused Mr E significant distress and inconvenience, particularly as the vehicle broke down while he was away with his family. And the worry that two repair attempts hadn't rectified the problems with the car. He has also told us about the impact this situation has had on his mental wellbeing. Given these circumstances, I consider it fair that BMF pay compensation of £250 to Mr E for the distress and inconvenience suffered as a result of being supplied with a vehicle that was not of satisfactory quality.

I'm intending to direct BMF to:

- Refund Mr E for repairs, diagnostic charges and towing costs as outlined above, including any costs undertaken by the supplying dealership in repairing the vehicle, subject to proof of payment.*
- Refund all monthly payments made by Mr E since September 2024 as he has been unable to use the vehicle during this period.*
- Cover storage costs incurred due to delays in Mr E being aware the vehicle was available for collection.*
- Apply 8% yearly interest on the refunds/reimbursements, calculated from the date Mr E made the payments to the date of the refund.*
- Pay Mr E an additional £250 to compensate him for the distress and inconvenience caused.*

Responses

Mr E agreed with my uphold decision and BMF 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 thought about what both parties have said, and I see no reason to deviate from my provisional findings.

So, taking everything into consideration BMF should:

- Refund Mr E for repairs, diagnostic charges and towing costs as outlined above,

including any costs undertaken by the supplying dealership in repairing the vehicle, subject to proof of payment.

- Refund all monthly payments made by Mr E since September 2024 as he has been unable to use the vehicle during this period.
- Cover storage costs incurred due to delays in Mr E being aware the vehicle was available for collection.
- Apply 8% yearly interest on the refunds/reimbursements, calculated from the date Mr E made the payments to the date of the refund.
- Pay Mr E an additional £250 to compensate him for the distress and inconvenience caused.

My final decision

I uphold the complaint and direct Blue Motor Finance Ltd trading as Blue Motor Finance to follow my directions above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 1 December 2025.

Rajvinder Phaiser
Ombudsman