

## **The complaint**

Mr T complains that a car he took from Toyota Financial Services (UK) PLC (“TFS”) under a hire purchase agreement was not of satisfactory quality.

## **What happened**

In November 2022 Mr T entered into a 42-month hire purchase agreement with TFS. The car had been first registered in May 2019 and had covered 12,500 miles. Under the agreement, Mr T was to make monthly payments of just under £400. He had a mileage allowance of 70,000 miles in total, an average of 20,000 miles a year. The car was priced at £32,500.

In October 2024 the car was serviced and had an MOT test. At around that time Mr T noticed a drop in fuel efficiency and an unusual noise. The dealership inspected the car and said that it had been fitted with a non-genuine catalytic converter – that is, one which was not a part supplied by Toyota.

Mr T complained to TFS. He said the car had been supplied with a non-genuine part and that this meant it had not been supplied in a satisfactory condition.

TFS did not accept what Mr T had said. It said that, given the time which had passed since the car had been delivered to Mr T and the additional mileage it had covered (around 50,000 miles), it could not be shown that any faults were present in November 2022.

Mr T referred the matter to this service, where one of our investigators considered what had happened. He did not recommend that the complaint be upheld. Whilst he was persuaded that the car had faults – as identified by the supplier’s engineer – he did not believe that Mr T had shown they were present at the point of delivery.

Mr T did not accept the investigator’s assessment and asked that an ombudsman review the case.

## **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.

The investigator said that, under the Consumer Rights Act 2015, Mr T’s contract with TFS was to be read as including a term that the car would be of satisfactory quality. An item is of satisfactory quality if it is of the quality a reasonable person would expect in all the circumstances – including its age, price and mileage.

Also under the Consumer Rights Act, where an item is found not to be of satisfactory quality within six months of delivery, in court proceedings it is for the supplier to show that it was of satisfactory quality at the point of supply. After that, it is for a consumer to show that it was not. This service is not bound by the same rules of evidence that a court would be, and I have considered the evidence as a whole in order to reach a view about the quality of the car when it was supplied in November 2022.

I should however note that it is possible that the Consumer Rights Act does not apply in this case. That's because Mr T has said that he needs the car to earn money as a taxi driver. Mr T is only a Consumer if, in entering into the hire purchase agreement, he was "... *an individual acting for purposes that are wholly or mainly outside that individual's trade, business, craft or profession* ...". Be that as it may, similar provisions in respect of quality apply to non-consumers under the Supply of Goods (Implied Terms) Act 1973.

In my view, it is significant that no faults became apparent until nearly two years after the car was supplied to Mr T. In that time, it had covered a further 50,000 miles. That is significantly above the average mileage in the UK (no doubt because of Mr T's work) and a little more than the mileage allowance provided for in the hire purchase agreement. That means that the car's condition when the faults emerged is not necessarily a reliable indication of its condition at the point of supply. It is very likely that wear and tear would play a part after more than 60,000 miles and that the car might need significant repairs.

Mr T says that he has not replaced the catalytic converter and that a non-genuine part must therefore have been fitted at the time of supply. I have no reason to doubt what he has said about that, although I have no realistic way of testing that. I do note however that the car passed MOT tests in June 2022 (before Mr T took possession of it), November 2022 and October 2023. No issues were raised in connection with the catalytic converter. So, even if a replacement had been fitted and that replacement was not a genuine Toyota part, I do not believe I can fairly say that it made the car not of satisfactory quality.

I realise of course that Mr T is in difficult position, since the car needs expensive repairs and he needs it to earn money. I cannot however fairly say that TFS should fund those repairs.

### **My final decision**

For these reasons, my final decision is that I do not uphold Mr T's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 17 October 2025.

Mike Ingram

**Ombudsman**