

The complaint

Mrs S complains about the quality of a vehicle she acquired through a hire purchase agreement financed by First Response Finance Limited (FRF).

What happened

In June 2024 Mrs S acquired a used car through a hire purchase agreement. The car was around ten years old, and it had travelled around 109,000 miles at the time of supply.

At the beginning of July 2024 Mrs S contacted the dealership to say she was having issues with the car, including the engine light being on, a problem with a sensor and the driver's heated seat wasn't working. She asked to either swap the car for one without faults, or to return it.

Mrs S said the car was in a garage for around two weeks for repairs, but the engine light was still illuminated when she collected the car, and the heated seat hadn't been repaired.

In August 2024 Mrs S contacted the dealership to say the car wouldn't start and had smoke coming from the exhaust. Arrangements were made for Mrs S to take the car to a third-party garage at the end of September 2024, which Mrs S later changed to the beginning of November 2024 for personal reasons.

In November 2024 the third-party garage said the turbo needed renewing, and Mrs S complained to FRF about the quality of the car.

FRF arranged for the car to be taken to the dealership in December 2024, where the repairs to the turbo were completed. Mrs S said she told the dealership on a number of occasions that she didn't want the car to be repaired, and she wanted to reject it.

FRF sent Mrs S their final response to her complaint in January 2025. They said repairs to the turbocharger and sensor had been completed with no admission of liability, and the car was ready to be collected. They said the original advert for the car detailed that the seats were heated, and so they offered to pay Mrs S £400 for a repair. They upheld Mrs S's complaint but said that she wasn't entitled to reject the car.

Unhappy with this, Mrs S brought her complaint to this service for investigation. She said she still wanted to reject the car.

Our investigator gave their view that the fault with the turbo made the car of unsatisfactory quality, and its repair was FRF's opportunity under the Consumer Rights Act to return the car to a satisfactory condition. They said the car was sold as having functioning heated seats, and so the fault on the seat made the car of unsatisfactory quality, meaning that Mrs S was now entitled to her final right to reject the car. They asked FRF to end the agreement, refund Mrs S's deposit plus interest, refund Mrs S's rentals from November 2024 plus interest, pay Mrs S £300 for distress and inconvenience and remove any adverse information from Mrs S's credit file.

FRF didn't agree. They said it was untrue the turbo should've lasted longer, and they didn't agree the fault with the heated seats made the vehicle of unsatisfactory quality. FRF said they'd offered a remedy for the seats that was proportionate to the problem, and so they didn't agree that Mrs S was able to reject the car.

Mrs S didn't agree with the compensation suggested by our investigator, and said she'd lost her job as a result of not having a working car.

Our investigator asked FRF to increase the compensation by £200 to reflect the upset Mrs S had experienced in losing her job.

FRF didn't agree, they said Mrs S didn't mention a problem with her job when she complained to them and appeared to have incurred expenses in travelling to work when she said she'd lost her job.

As an agreement can't be reached, the case has been passed to me for a decision.

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 what's fair and reasonable, I need to have regard to the relevant law and regulations. The agreement in this case is a regulated hire purchase agreement – so we can consider a complaint relating to it. FRF as the supplier of the goods under this type of agreement is responsible for a complaint about their quality.

The Consumer Rights Act 2015 (CRA) is relevant 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"

To be considered "satisfactory" the goods would need to meet the standard that a reasonable person would consider satisfactory – taking into account any description of the goods, the price and other relevant factors. Those factors, in the case of a car purchase, will include things like the age and mileage of the car at the time of sale, and the car's history. The quality of the goods includes their general condition and other things like their fitness for purpose, appearance and finish, safety and durability.

Here the car was acquired used with a cash price of around £7,500. It was about ten years old and had travelled around 109,000 miles at the time of supply.

When a person acquires a used car like Mrs S's it's reasonable to say that the expectation of quality is lower than that of a new or lower mileage second-hand car. The price for the vehicle is lower, and this is reflective of the fact that the car is more road-worn. The chance of encountering a serious issue sooner, is higher.

It's not in dispute that Mrs S's car required a renewal of the turbocharger. It's not clear exactly what caused the turbo to fail. There's no evidence that it was as a result of poor maintenance or general wear. Mrs S's car was around the age and mileage where a reasonable person might expect to need to carry out repairs such as renewing the turbo. However, this work was completed by the dealership and free of charge to Mrs S in December 2024, so I haven't considered this fault any further.

I've seen evidence that Mrs S reported a fault with the driver's side heated seat to the dealership four days after acquiring the vehicle. Mrs S mentioned the seat on a number of

occasions when discussing the car with the dealership and FRF, and said she felt the car had been missold to her because it was advertised as having heated seats.

Our investigator thought this fault made the car of unsatisfactory quality, but FRF didn't agree. They said it was minor in comparison to the mechanical fault, and an offer to pay for repairs was reasonable.

At ten years old and having travelled around 109,000 miles, I think a reasonable person might expect a car like Mrs S's to have some electrical problems, even relatively soon after acquiring the vehicle. But, I've seen evidence that the advert for Mrs S's car set out that it came with heated seats, and Mrs S reported an issue with the seats immediately, so I'm satisfied that the fault was present at the time that the car was supplied to Mrs S. I think a reasonable person purchasing a car with an advert like this would expect that those heated seats would work, and so I find that the fault with the heated seats did make the car of unsatisfactory quality at the time it was supplied to Mrs S.

Putting things right

Having made that finding, I need to decide what, if anything, FRF need to do to put things right.

The CRA sets out the remedies available where goods are considered not to be of satisfactory quality and one of the remedies is to allow an opportunity to repair the goods and return them to a satisfactory condition.

I've considered whether there's been an opportunity to return the car to a satisfactory condition, and I think there has. The car was repaired by the dealership in December 2024, and the heated seat issue was known about at the time. So, whilst repairs weren't attempted on the heated seat, I'm satisfied that FRF had an opportunity to return the car to a satisfactory condition in December 2024 and didn't.

The CRA also sets out that a repair should be done in a reasonable time and without undue inconvenience to the consumer. Mrs S reported the problem with the seat in July 2024. It wasn't addressed when the car was taken for repair in December 2024 and remained unresolved when Mrs S brought her complaint to this service, so I'm satisfied that a repair wasn't and couldn't now be completed in a reasonable time.

All things considered, I'm satisfied that Mrs S is entitled to her final right to reject the car. That means that FRF should end the agreement if it hasn't already done so, ensuring that Mrs S is not liable for monthly payments after the agreement is ended, refund Mrs S's £400 deposit and FRF should collect the car at no cost to Mrs S if it hasn't already done so.

Mrs S was unable to use the car after taking it to a third-party garage for inspection in November 2024. She wasn't kept mobile by any other means, and so I find that FRF should refund all of Mrs S's monthly payments from November 2024, plus interest.

Mrs S has been put to distress and inconvenience in being supplied with a vehicle that wasn't of satisfactory quality. She's had to spend time taking the car for repairs, having the faults diagnosed, and Mrs S has explained how the situation has had a significant effect on her past and present employment along with affecting her ability to move house. Our investigator recommended that FRF pay Mrs S £500 compensation to reflect this. All things considered, I think £500 fairly reflects the distress and inconvenience caused to Mrs S.

My final decision

My final decision is that I uphold this complaint, and First Response Finance Limited must:

- End the agreement ensuring that Mrs S is not liable for monthly rentals after the agreement has ended. (It should refund any overpayment if applicable)
- Take the vehicle back without charging for collection if it hasn't already done so
- Refund Mrs S's deposit of £400 plus 8% simple interest from the date of payment to the date of refund. (If any part of this deposit is made up of funds paid through a dealer contribution, FRF is entitled to retain that proportion of the deposit.)
- Refund monthly payments made by Mrs S when she was unable to use the vehicle from November 2024, plus 8% simple interest from the date of payment to the date of refund
- Pay Mrs S £500 compensation to reflect the distress and inconvenience caused
- Remove any adverse information about the agreement from Mrs S's credit file

If FRF considers that it's required by HM Revenue & Customs to withhold income tax from the interest part of my award, it should tell Mrs S how much it's taken off. It should also give Mrs S a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 29 October 2025.

Zoe Merriman
Ombudsman