DRN-5712239

The complaint

Mr H complains about the quality of a car supplied to him through a hire purchase agreement by Specialist Motor Finance Limited ("SMF").

What happened

Mr H entered into an agreement with SMF in October 2022 for a used car. The car was nine years old and had covered 104,000 miles when supplied. Mr H has told us he began experiencing problems with the car almost immediately and eventually he complained to the broker in March 2023 and an independent engineer was asked to inspect the car. This happened in April 2023, and their report said that there were a number of problems which would have been present or developing at the point of sale, and recommended a list of repairs should be carried out by the supplying dealer.

The car appeared to have covered around 1500 miles at this point. The supplying dealer argued that many of the issues raised by the engineer were wear and tear items that they shouldn't have to repair, and Mr H wasn't happy that some things he'd complained about weren't going to be repaired. There was follow up with the engineer who appears to have then agreed with the supplying dealers plans to only carry out some of the repairs, but also highlighted the exhaust should be repaired by them.

It's unclear what happened at this time, although the broker issued a final response letter in July 2023 upholding his complaint and saying they would transport the car back to the supplying dealership to carry out repairs as agreed with the engineer who inspected the car. But Mr H appears to have had no contact with the dealership, and its unclear what repairs they carried out. Mr H has complained to SMF in October 2023.

SMF appeared to correspond with the supplying dealership asking why they hadn't done more to follow this up and arrange the repairs, but no final response letter (FRL) was issued by SMF to his complaint.

The case wasn't brought to our service until September 2024, and SMF still hadn't issued an FRL to Mr H at this point.

An investigator here investigated the complaint and upheld it. They recognised that the car had been off the road for at least a year but recommended that repairs was the fair resolution.

Mr H didn't accept this however, and asked if he could reject the car. Having not had any use of it for 18 months at this point, he didn't want it back. This was put to SMF, but they said he could arrange a voluntary surrender if he didn't want the car, but they wouldn't agree to a rejection. The case has come to me for a final decision.

I issued a provisional decision on the case on 13 July 2025 as follows:

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've reached the same overall conclusions as the investigator that the car wasn't of satisfactory quality, for broadly the same reasons, but I feel Mr H should be able to reject it now. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome. Where evidence has been incomplete or contradictory, I've reached my view on the balance of probabilities – what I think is most likely to have happened given the available evidence and wider circumstances.

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 was good industry practice at the time. Mr H 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') says, amongst other things, that the car should've been of a satisfactory quality when supplied. And if it wasn't, as the supplier of goods, SMF are responsible. What's satisfactory is determined by things such as what a reasonable person would consider satisfactory given the price, description, and other relevant circumstances. In a case like this, this would include things like the age and mileage at the time of sale, and the vehicle's history and its 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 SMF can show otherwise. But where a fault is identified after the first six months, the CRA implies that it's for Mr H to show it was present when the car was supplied.

So, if I thought the car was faulty when Mr H took possession of it, or that the car wasn't sufficiently durable, and this made the car not of a satisfactory quality, it'd be fair and reasonable to ask SMF to put this right.

Unfortunately, neither party involved here has made the decision easy, as communications have been with wrong parties, or not happened, for long periods of time. I am unclear why the broker has dealt with Mr H's complaint about the quality of the goods, without it seems informing or involving SMF for several months, who are the supplier of the car. Then Mr H doesn't appear to have communicated with the dealership when they are supposed to be repairing to the car, and instead, four months later, has complained to SMF. And then SMF have not dealt with the complaint and issued him an FRL at all.

The only thing which is clear is that there were faults with the car within the first six months, meaning as the supplier, SMF would potentially be responsible. Some of these faults could be argued were wear and tear items, like the windscreen washer, but some clearly weren't. The engineer appointed talked about a lack of power to the car which needed further investigation, and I've seen no suggestion this investigation was ever done. There was also a large oil leak, some poorly repaired bodywork issues, head lamps not working or repaired properly, and a problem with the exhaust system. The report listed many other parts which were legal, but very worn.

The engineer concluded that "at a minimum, the vehicle required investigations and rectification of the engine performance issues….and on the grounds of durability, the sales agent should be responsible for any necessary repairs".

This report was carried out in April 2023. It was then July 2023 before the broker issued a final response letter of sorts to say they would repair the car, so by that time it was already four months after the complaint was raised. This letter gave Mr H the right to refer the *complaint to the finance company if he wasn't happy, which he did in October 2023. And after that, he received no outcome or final response letter from SMF.*

The CRA also talks about any repairs being carried out in a timely fashion. I am not sure four months would class as timely here even if the repairs had been carried out in July 2023, but as far as I'm aware, they've never been carried out, and the car hasn't been returned to Mr H.

All parties have accepted that the car wasn't of satisfactory quality, based on the independent engineer's report, which I agree with. I think there could be some debate about exactly which repairs should or shouldn't have been carried out, but now, its two years down the line, and no repairs have been carried out or agreed upon.

At this point, I am not persuaded it would be fair for Mr H to have the car repaired and returned to him. He's had to arrange other transport for two years since the car stopped working, which has meant he has struggled to keep up with payments for the car and has some arrears. Alongside this, the car was reasonably old when supplied to him and has now presumably had two years of sitting idle, which will likely mean it has further problems.

If SMF had dealt with his complaint in a timely fashion and ensured the repairs were carried out and the car was returned, that would have been fair. However, they received his complain in October 2023, and as far as I'm aware, have never even issued a final response letter to it to say what they will do or not do.

The supplying dealership apparently told SMF that Mr H declined to have the repairs carried out as they weren't going to repair some of the wear and tear items he wanted to be repaired, but that being the case, I am confused as to why they didn't just repair the satisfactory quality issues identified and try to deliver the car back to him.

They had already collected the car, as everyone has confirmed it is at the supplying dealership still, who have since refused to repair it due to the time elapsed and are trying to charge storage costs for the car being "abandoned" there.

Too many parties have got involved with the complaint here and nobody has actually taken control and resolved things with Mr H. If the complaint had been investigated in a timely fashion, and Mr H had been given the answer that the car would be repaired, with referral rights to our service if he didn't agree, then things could have been sorted out on that basis most likely.

But after four months he was told by the broker that the car would be repaired, and if he didn't agree, he could complain to the finance company, SMF. He then raised the complaint with SMF a further three months later, having been given no timescales by which to do this, and SMF investigated things but didn't issue a final response letter.

Eventually, with things getting nowhere, he brought the complaint to our service. By then it was already more than 18 months since the complaint was raised, and Mr H hadn't had the car for 14 or 15 months. I'm sorry that the investigator who looked at the case here said repairing the car would be fair, but Mr H asked them to reach out to SMF to see if he could reject it instead. SMF declined his request, and it's taken until now for the case to reach an Ombudsman for a final decision.

It would be unfair after this long for Mr H to have the car repaired and returned to him now, so I am satisfied that rejection is the fairest outcome now. As such, I intend to ask SMF to carry out the following to put things right.

- *End the agreement with no further monthly payments for Mr H to make.*

- *Collect the car as required at no cost to Mr H.*

- *I don’t believe Mr H paid a deposit, but if he did, refund it to him.*

- *Refund any monthly payments made by Mr H for the car since 1 March 2023, the month his complaint was raised.*

- *Pay 8% simple interest on all refunds above from the date of payment to the date of settlement.*

- *Remove any adverse data from Mr H’s credit file in relation to this agreement.*

- *Pay Mr H £400 to recognise the distress and inconvenience caused by the unsatisfactory quality car he was supplied and the time taken trying to get this resolved.*

My provisional decision

I anticipate upholding the complaint and instructing SMF to carry out the above to resolve things.

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.

Mr H responded to the provisional decision to say he agreed with it. SMF responded to say they had no further comments to add. As such, I see no reason to change that decision, so I uphold the complaint.

Putting things right

I instruct SMF to carry out the following to put things right:

- End the agreement with no further monthly payments for Mr H to make.
- Collect the car as required at no cost to Mr H.
- I don’t believe Mr H paid a deposit, but if he did, refund it to him.
- Refund any monthly payments made by Mr H for the car since 1 March 2023, the month his complaint was raised.
- Pay 8% simple interest on all refunds above from the date of payment to the date of settlement.
- Remove any adverse data from Mr H’s credit file in relation to this agreement.
- Pay Mr H £400 to recognise the distress and inconvenience caused by the unsatisfactory quality car he was supplied and the time taken trying to get this resolved.

My final decision

I uphold this complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr H to accept or reject my decision before 21 August 2025.

Paul Cronin
Ombudsman