

## **The complaint**

Mr M complains about the quality of a car that was supplied through a hire purchase agreement with Zopa Bank Limited (Zopa).

## **What happened**

In March 2024, Mr M acquired a used car through a hire purchase agreement with Zopa. The car was around ten years and six months old and had travelled 76,000 miles when it was supplied to Mr M. The cash price of the car was £4,499. No deposit is listed, so the total amount financed on the agreement was £4,499 payable over 48 monthly repayments of £114.95.

Mr M said that a few days after acquiring the car a service light came on which he said he raised with the selling garage. when he took the car for an MOT in December 2024, he was told it wasn't roadworthy, mainly that the diesel particulate filter (DPF) had been tampered with. Mr M said he's been unable to use the car since.

The garage advised of further issues with the car which included:

- DPF tampered with
- Offside front spring corroded
- Two rear springs corroded
- Rear wiper
- Front discs worn
- Rear brake pads and discs
- Drivers' door strap
- 123 glow plugs

Mr M said the selling garage hasn't been helpful and have denied there was any tampering of the DPF, and said he should provide evidence to show the issues were present or developing when the car was supplied to him.

In December 2024, Mr M brought his complaint to our service for investigation, however as Zopa hadn't been given the opportunity to respond to Mr M's complaint we referred it to them in the first instance.

In January 2025, Zopa issued their final response to Mr M's complaint, which they didn't uphold. In summary it said as the issues happen after six months from supply the onus was on Mr M to prove that the issues would have been present or developing at the point of supply.

Unhappy with their decision, Mr M asked that his complaint be referred to one of our investigators for investigation.

The investigator recommended that Mr M's complaint should be upheld. In summary, the Investigator considered that expert evidence demonstrated there was tampering with the DPF which had altered it and didn't consider that there was evidence that Mr M was

responsible for it. The Investigator concluded the car wasn't of satisfactory quality when it was supplied and so recommended that Zopa do the following:

- arrange for and cover the cost of the repairs
- pay a refund of rentals to cover any loss of use, or impaired use, of the car because of the inherent quality issues;
- pay 8% simple yearly interest on all refunded amounts from the date of payment until the date of settlement;
- pay a further amount of £100 for any distress or inconvenience that's been caused due to the faulty goods;
- remove any adverse information from the customer's credit file in relation to the agreement

Mr M accepted the Investigator's assessment. Zopa didn't. Zopa said the pre-sale inspection didn't identify any issues, an MOT was completed in January 2024, they weren't made aware of the service light illuminating at the time. They considered that it was reasonable for them to expect Mr M to provide further evidence that the issues were present or developing when the car was supplied to him.

The Investigator responded to say their opinion hadn't changed, so the complaint was referred to an ombudsman to make a final 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 is fair and reasonable, I've thought about all the evidence and information provided afresh and the relevant law and regulations, regulators' rules, guidance and standards, codes of practice and (where appropriate) what I consider to have been good industry practice at the relevant time.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

Mr M complains about a hire purchase agreement. Entering into consumer credit contracts like this is a regulated activity, so I'm satisfied we can consider Mr M's complaint about Zopa. Zopa is also the supplier of the goods under this agreement, and is responsible for a complaint about their quality.

The Consumer Rights Act 2015 (CRA) is relevant in this case. It says that under a contract to supply goods, there is an implied term that "*the quality of the goods is satisfactory, fit for purpose and as described*". To be considered as satisfactory, the CRA says the goods need to meet the standard that a reasonable person would consider satisfactory, considering any description of the goods, the price and all the other relevant circumstances.

So, it seems likely that in a case involving a car, the other relevant circumstances a court would consider might include things like the age and mileage at the time of sale and the vehicle's history.

Here, Mr M acquired a used car which had covered 76,000 miles and cost around £4,499. So, I think a reasonable person would not have the same expectation of quality in comparison to a newer model, which had less mileage. But I still think they would expect the car to be free from any major defects and supplied with components that were satisfactorily roadworthy and functioning.

From the information provided I'm satisfied there's an issue with the DPF. This is apparent from the mechanic's report which advised he discovered a drilled hole in the DPF which had been welded, and it was this which was causing problems with the emissions. The report added there was a high probability of the regeneration program being removed from the car's Engine control unit which would hide the fault following its tampering. The report also highlighted other issues it identified during the service. The report recommended corrective action which it said may include forced regeneration, DPF cleaning and replacement.

Having considered the DPF was faulty, I've considered whether it was of satisfactory quality when it was supplied.

#### *satisfactory quality*

In an email to the Investigator dated in April 2025, Mr M said that several days after being supplied the car he raised issues about an illuminated warning light which later he discovered was related to the faulty DPF. In their file submission Zopa said they weren't notified about the issue until January 2025. Having considered this, I think it was reasonable that Mr M would raise his concerns to the dealer in the first instance to attempt to have it resolved.

Mr M has provided a mechanic's report which advised of the issues. I've no reason to doubt the expertise of the mechanic, so I think it would have been reasonable for further investigation to have taken place. I acknowledge what Zopa has said about Mr M needing to provide evidence the fault was a point of sale issue, however I think the evidence he provided in the form of the mechanic's report is sufficient to prompt further investigation, as it highlighted that an issue was present after nine months of ownership and after the car had travelled around 4,000 miles. In addition, Mr M said he didn't have the funds available to arrange a further independent inspection.

I don't think the usage or time lapse is unreasonably excessive to reach the conclusion that the issues raised would have necessarily been a result of in-service wear and tear; and so, I think it would have been reasonable for Zopa to arrange for a further inspection to be carried out.

I recognise the car passed an MOT inspection in January 2024, three months prior to it being supplied to Mr M, however I think it's plausible the issues may not have been picked up on an MOT due to the nature of the testing. In addition, I've been given no reason or evidence to consider Mr M would have been responsible for any alterations to the DPF.

So, all things considered, I'm persuaded from the evidence provided that it's more likely than not that the DPF wasn't of a satisfactory quality when the car was supplied. It follows that I think it's reasonable that Zopa will need to put things right.

In January 2025, Mr M provided a quotation to have the DPF replaced. I think the cost of replacement is unlikely to be disproportionate and I've not considered that Mr M has asked to reject the car. So, I'll be instructing Zopa to arrange and repair the issues with the DPF.

They should also refund to Mr M the monthly repayments he's made whilst he's not been able to use the car due to its faulty DPF. I also think Mr M should be paid compensation for

the inconvenience that's been caused to him, and in the circumstances I'm in agreement with the Investigator that £100 is reasonable.

### **My final decision**

Having thought about everything above along with what is fair and reasonable in the circumstances I uphold this complaint and instruct Zopa Bank Limited to:

- arrange and cover the cost of a repair to the DPF
- refund to Mr M the monthly repayments he's made towards the agreement from December 2024, as he hasn't been able to use the car
- pay Mr M £100 in compensation for the distress and inconvenience caused
- remove any adverse information that may have been recorded with the credit reference agencies in respect of the damage.

Zopa Bank Limited should pay 8% yearly simple interest on all refunds calculated from the date of payment to the date of settlement.

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 28 October 2025.

Benjamin John  
**Ombudsman**