

The complaint

Miss R complains about the quality of a car she acquired under a hire purchase agreement with FIRST RESPONSE FINANCE LIMITED (FR).

When I refer to what Miss R and/or FR said or did, it should also be taken to include things said or done on their behalf.

What happened

In January 2025, Miss R entered into a hire purchase agreement with FR to acquire a new car first registered in May 2015. At the time of supply the car had travelled around 63,000 miles. The cash price of the car was around £8,000. The total amount payable was about £13,162. The agreement consisted of 49 monthly repayments, each in the sum of around £269.

Miss R said the car broke down on Friday 21 February 2025. She was driving for about 10 minutes on the motorway, and this was the first time she had the car travelling up to 70 mph, when it started flashing up warning signs and lost power. Miss R said after several phone calls and messages, nothing was being done, so she was without a car for days and had no way of getting to work and getting her child to school. Miss R said this caused her a lot of stress and affected her health. As such, Miss R raised a complaint with FR on 27 February 2025.

On the 8 April 2025, she said she received a phone call, from FR, which was followed up by an email. This email stated that the dealership were requesting payment for the repairs they have made to the car before they release it. However, FR in this correspondence said that, as they had established Miss R had the right to a repair of the car, the repairs should have been free of charge. Therefore, due to the dealer's stance, FR said they have established that Miss R now had the right to rejection. That correspondence said:

- FR would inform the dealership of Miss R's right to rejection the same day and allow the dealership 24 hours to respond to that information;
- FR would then close Miss R's complaint and pass her account over to their cancellations team;
- Cancellation team would process the rejection, stating the department operated on a 72-hour turnaround.

Miss R said she did not hear anything within the 24-hour period, so on 10 April 2025 she chased her refund. She thought that the car was rejected and that her case was with the cancellation team. In summary, she said she does not want the car back because of all that has happened, and she does not trust that the car had been repaired properly.

On Tuesday 15 April 2025, she received a phone call from FR to advise the car was repaired and ready for collection. Later in April 2025, FR wrote to Miss R and said that before Miss R's complaint was logged, the car was returned to the selling dealership for inspection with aim to repair. In the meantime, a report from a recovery agent was supplied to them which said the agent was unable to diagnose the fault but the report said "suspect injector issue".

The report did highlight that a workshop inspection would be needed to obtain full clarity on the faults. FR in this correspondence said that, unfortunately, they experienced a delay in obtaining an update from the selling dealership. Therefore, in line with the Consumer Rights Act 2015, as the fault had occurred within the first six months, it was deemed to not be Miss R's responsibility to repair unless proven otherwise. As FR said they had received no report from the dealership, they established Miss R was entitled to a free repair. The dealership was provided a deadline to complete these repairs. Before the deadline had expired, FR said they received evidence from the dealership that their inspection had found that at some point the car had been mis-fuelled, therefore, they did not deem they were responsible for the repair costs.

FR said that, as they had conflicting evidence, their next steps would include a full inspection by an independent engineer to establish its condition in full. However, as the car had already been repaired, they were unable to do so. Therefore, the dealership was provided a 48-hour deadline to confirm that the repairs had been paid for, and the car could be collected. Otherwise, it could be deemed that FR were holding the car without authorisation, and this would support Miss R having the right to reject the car.

FR did confirm that on 8th April 2025, they did notified Miss R that as they had not received an update from the dealership, they would support her right to reject the car and therefore they were aiming to process a cancellation of goods. However, they received notification from the dealership that the car was fully repaired and ready to be collected within the timescale FR provided to them. Based on this, they said they were unable to continue with rejection of goods. The car has been repaired, at no cost to Miss R, and collection of goods was no longer obstructed. So, they said that based on this, the dealership had adhered to her rights in line with the Consumer Rights Act 2015 by completing a repair at no cost to her. On 14th April 2025, Miss R was notified of their findings and advised to arrange collection of the car as soon as possible. Within this call Miss R declined to do so and wished to continue with the rejection of car. Unfortunately, FR said they were unable to do so. In that correspondence, FR have also said that considering the length of time of our investigation and the ongoing dispute with the dealership, they can offer £150 compensation to Miss R for any distress and inconvenience this may have caused.

Miss R remained unhappy, so she referred her complaint to the Financial Ombudsman Service (Financial Ombudsman).

Our investigator considered Miss R's complaint. The investigator was of the opinion the car was of satisfactory quality at the point of supply, so the investigator did not feel it would be fair to ask FR to do anything more.

Miss R disagreed with the investigator.

So, the complaint has been passed to me to decide.

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.

Where evidence is unclear or in dispute, I reach my findings on the balance of probabilities – which is to say, what I consider most likely to have happened based on the evidence available and the surrounding circumstances.

In considering what is fair and reasonable, I need to take into account the relevant rules, guidance, good industry practice, the law and, where appropriate, what would be considered

good industry practice at the relevant time. Miss R acquired the car under a hire purchase agreement, which is a regulated consumer credit agreement. Our service can look at these sorts of agreements. FR is the supplier of goods under this type of agreement and is responsible for dealing with complaints about their quality.

I have summarised this complaint very briefly, in less detail than has been provided, and largely in my own words. No discourtesy is intended by this. If there is something I have not mentioned, I have not ignored it. I have not commented on every individual detail. But I have focussed on those that are central to me reaching, what I think is, the right outcome. This reflects the informal nature of the Financial Ombudsman as a free alternative to the courts.

First, I would like to express my considerable sympathy for the position Miss R is in. I know this has been a very difficult time for her. Miss R has told us how all of this has impacted on her health. With that in mind, I know that what I am about to say will be unwelcome news to Miss R, and I am truly sorry if my decision adds to her distress. However, based on the specific evidence of this case, I'm unable to uphold her complaint.

The Consumer Rights Act 2015 (CRA) covers agreements such as the one Miss R entered into. Under this agreement, there is an implied term that the goods supplied will be of satisfactory quality. The CRA says that goods will be considered of satisfactory quality where they meet the standard that a reasonable person would consider satisfactory – taking into account the description of the goods, the price paid, and other relevant circumstances. I think in this case those relevant circumstances include, but are not limited to, the age and mileage of the car and the cash price. The CRA says the quality of the goods includes their general state and condition, as well as other things like their fitness for purpose, appearance and finish, freedom from minor defects, safety, and durability.

In Miss R's case the car was used, with a cash price of around £8,000. It had covered around 63,000 miles and was almost 10 years old when she acquired it. So, the car had travelled a reasonable distance, and it is reasonable to expect there to be some wear to it because of this use. I would have different expectations of it compared to a brand-new car. As with any car, there is an expectation there will be ongoing maintenance and upkeep costs. There are parts that will naturally wear over time, and it is reasonable to expect these to be replaced. And with second-hand cars, it is more likely parts will need to be replaced sooner or be worn faster than with a brand-new car. So, FR would not be responsible for anything that was due to normal wear and tear whilst in Miss R's possession.

Miss R thinks that she should be entitled to reject the car.

The CRA sets out that Miss R has a short term right to reject the car within the first 30 days, if the car is of unsatisfactory quality, not fit for purpose, or not as described, and she would need to ask for the rejection within that time. Miss R would not be able to retrospectively exercise her short term right of rejection at a later date.

The CRA does say that Miss R would be entitled to still return the car after the first 30 days, if the car acquired was not of satisfactory quality, not fit for purpose, or not as described, but she would not have the right to reject the car until she has exercised her right to a repair first – this is called her final right to reject. This would be available to her if that repair had not been successful.

First, I considered if there were faults with the car.

From the evidence provided by the recovery agent, dated 21 February 2025, around seven weeks after supply with the car having travelled around 795 miles, I can see that they fitted a coil to number two cylinder due to misfire. Later, they reattended for same fault and swapped

out coils, but were unable to diagnose the issue. As such, they suspected problems with the injector. Also, the third-party garage that repaired the car confirmed that it was mis-fuelled with diesel instead of petrol. They also elaborated that mis-fuelling the car with diesel can be the root cause of several engine issues, such as injector damage and misfires.

Based on the above, I think the car was, most likely, faulty. But just because a car was faulty does not automatically mean that it was of unsatisfactory quality when supplied. So, I have considered if the car was of unsatisfactory quality when it was supplied to Miss R.

I have considered all the circumstances of this case, including the age, price and mileage of the car, combined with when the above issues were noted, and from the available evidence I think, most likely, the car was of satisfactory quality when it was supplied to Miss R. I'll explain.

I know Miss R is adamant that she did not mis-fuel the car with diesel, so I have taken everything she said into consideration. However, there are many ways the fuel could have become contaminated at fuel station— such as mislabelled pumps or hoses, similar nozzle sizes for petrol and diesel, incorrect fuel delivery into underground tanks, contaminated fuel supply, diesel residue in petrol tanks or lines, and/or poor maintenance or flushing of fuel systems. So, I have thought about if the car got contaminated with diesel during the time the car was with Miss R or before she took delivery. And I think the car has not been contaminated with diesel prior to being supplied to Miss R, because I think had that happened, most likely, Miss R would not have been able to travel around 795 miles in around the seven weeks that she had the car. I think had the car been contaminated with diesel before supply, most likely, it would have broken down much earlier than around 795 miles. As such, I cannot say that it would be fair and reasonable for Miss R to be allowed to reject the car, or that FR should be responsible for this fault.

I know that Miss R said that she did not complain that the faults would have been present when the car was supplied, and she said that her complaint was that the dealership were not communicating with her or repairing the car in a timely manner.

She also said that she wanted to reject the car, not because of the damage present when she bought the car, but because of how long the dealership took to diagnose the breakdown, how long they took to repair the car, and how they treated her throughout. I understand that Miss R is unhappy about certain actions/inactions of the supply dealership/broker and FR might be responsible for some of these, such as for example, what was said or done during the antecedent negotiations before Miss R entered the finance agreement. However, I can only consider actions/inactions of FR and only the aspects they are responsible for, so I cannot look at certain actions and/or inactions of the dealership/broker which Miss R might be unhappy about. As such, in this decision I only focused on the aspects I can look into, and only at the events that have been raised by Miss R with FR, the ones they had an opportunity to address up to an including the final response correspondence they issued to her in April 2025. Also, it is important to note that the dealership, under the CRA, was not required to fix the car because, as already stated, the car was of satisfactory quality when it was supplied to Miss R. As such, I cannot say it would be fair and reasonable for Miss R to be able to reject the car.

I have also considered the communication FR had with Miss R, because Miss R has told us that FR left her in limbo with barely any contact, and also gave her false information in one of the emails, stating that she had the right to rejection. They went on to offer to inform the dealership giving them 24 hours to respond. I have taken into consideration what Miss R said, but I can see that FR was corresponding with Miss R and tried to keep her updated throughout. In addition, FR have confirmed to us that they did receive the report from the third-party garage that was provided by the dealership via email on 7 April 2025 at 5:24pm.

So, the mis-fuelling evidence was submitted within FR's set timeframe. Also, even if I was of the opinion that FR could have communicated better with Miss R, I still do not think it would be fair and reasonable to ask FR to take any further action, as the car has been repaired already at no cost to Miss R, even though, most likely, the mis-fuelling happened during her ownership.

In her response to the investigator, Miss R also referred to negative comments made online by other customers of FR, and said that these should be taken into account. However, we consider each complaint on its own individual merits, and I do not consider it would be fair to draw negative inference from experiences that others have had in different circumstances.

I know that this is not the ideal outcome that Miss R would like and I would like to express my sympathy for the position she is in, as I know it has been a difficult time for her. However, I have not seen enough evidence to be able to say that, most likely, it would be fair or reasonable to ask FR to take any further action.

My final decision

For the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss R to accept or reject my decision before 3 December 2025.

Mike Kozbial
Ombudsman