

## The complaint

Mr A complained that a car he acquired, using finance from Zopa Bank Limited, wasn't of satisfactory quality.

## What happened

On 1 May 2024, Mr A entered into a finance agreement with Zopa for a used car. But in the June, he reported issues with the car, and the tyre pressure sensors and an ABS sensor were replaced under warranty.

Then, in the November, the car broke down and had to be recovered. Mr A was told the engine had failed and would need replacing. He then complained to Zopa.

Zopa responded, but didn't uphold the complaint. It said that as Mr A had had the car for over six months, the onus was on him to provide evidence that a fault was present or developing at the point of supply. Unhappy with this, Mr A brought his complaint to our service.

One of our investigators looked into what had happened. She could see that the car was around nine years old and had travelled 94,000 miles when it was supplied. So, she thought it fair to say that a reasonable person would expect that parts of the car might have already suffered notable wear and tear, and there's a greater risk this car might need repair or maintenance sooner than a car which wasn't as road-worn when it was supplied.

She was satisfied there was a fault with the car. This was because the breakdown report said there was engine damage and no compression – and a replacement engine was needed. This was then confirmed by a specialist, who said the cause of the damage was wet belt failure.

So, our investigator went on to consider if this was a fault present, or developing, at the point of supply.

She noted that Mr A had the car for almost seven months when the engine failure occurred, and this is why Zopa has requested evidence that the fault would have been present or developing at the time of supply. If the car had failed just one month prior, Zopa would have been required to investigate the fault.

She was also mindful that the mileage on the car at the time of failure was 95,000. So, Mr A had only covered 1,000 miles in the time he'd had the car – significantly below average.

Further, the specialist report stated: *"In my professional opinion this vehicle should not have been sold by a car dealer without notifying the purchasing party of the fact the wet belt was due for changing within 12 months of the purchase date replacement on these vehicles costs around £1500 to £1800 the purchaser should have been made aware of this, wet belt failure could have been avoided."*

On the basis of this, our investigator didn't think the goods were of satisfactory quality at the

point of supply. And, considering the cost and inconvenience of such a repair, she thought it fair for Mr A to be able to reject the car. And, as he'd not been able to use the car since the breakdown on 28 November 2024, he should be refunded his monthly repayments from that point.

Mr A also paid for two reports, so it followed he should be reimbursed for these. Further, he'd suffered distress and inconvenience, and she thought £200 compensation was fair to address this.

Zopa disagreed. It felt that the onus remained on Mr A to prove there had been a problem with the car at the point of supply. It said the issue could be caused by lack of maintenance or use.

The complaint's now been passed to me.

### **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.

Having done so, I'm upholding it. This is for the same reasons as those given by our investigator, so I shall largely adopt her reasoning as my own. However, there are some points upon which I'd like to expand.

I accept that after the first six months, the onus is on Mr A to prove the car was faulty at the point of supply. But I'm satisfied, on balance, he has, as the reports are clear. In any event, this isn't to do with the length of time he's had the car, but the low mileage. Essentially, it's clear that a failing part – at the point of supply – would fail sooner had average mileage been achieved. But, quite apart from the time, a car should not have catastrophic engine failure after seven months. And, there is no evidence of poor maintenance. Although the car has low mileage, it's not been sitting unused for months.

Accordingly, I think Zopa must put things right.

### **Putting things right**

To put things right, Zopa should:

- accept rejection of the car, and collect it at no cost to Mr A (if it hasn't already);
- refund Mr A any deposit/part-exchange he paid, in full, adding 8% simple interest a year, from the date of payment to the date of settlement;
- refund all of Mr A's monthly repayments in full, from 28 November 2024 onwards, adding 8% simple interest a year, from the date of each repayment to the date of settlement;
- refund Mr A for the cost of the reports, adding 8% simple interest a year from the date he paid for each one, to the date of settlement;
- pay Mr A for the admin cost of either cancelling his car insurance, or moving it to another car, as this fee wouldn't have been incurred had the car been satisfactory (I note this is for an admin fee only, not any change in premiums);
- pay Mr A £200 for the distress and inconvenience caused; and
- mark the agreement as settled on Mr A's credit file.

### **My final decision**

It's my final decision to uphold this complaint. I require Zopa Bank Limited to take the actions

set out above, in the section entitled 'Putting things right'.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 8 December 2025.

Elspeth Wood  
**Ombudsman**