

## **The complaint**

Miss V has complained about the quality of a car she bought using a hire purchase agreement with Advantage Finance Limited.

## **What happened**

The circumstances of the complaint are well known so I'm not going to go over everything again in detail. But, to summarise, Miss V acquired a used car under a hire purchase agreement with Advantage Finance in September 2023. The car cost around £9,500. It was around 8 years old and had covered around 74,000 miles. She was due to repay the agreement with 59 payments of around £320 followed by a final payment of around £520. Miss V acquired the car from a dealer I'll call "D" through a broker I'll call "B".

Miss V said the car had serious engine issues since she acquired it. She also said D was being investigated for fraud. To give some more background, it seems D carried out some repairs shortly after Miss V acquired the car, but she said there were further issues in July 2024. This was around the time Miss V stopped paying towards the agreement. Miss V said she'd been unable to get D to repair it, and B and Advantage Finance didn't help her even though she arranged her own report. She referred a complaint to the Financial Ombudsman in December 2024 setting out her concerns.

Advantage Finance issued a final response letter in February 2025 saying it arranged an independent inspection that said the car was misfiring, which may indicate compression issues such as a burnt valve which requires further testing. It noted some other faults and items reaching the end of their service life. But the report said the faults present couldn't have been present at the point of supply. The mileage recorded on the report was around 85,000 miles.

One of our investigators looked into things but didn't uphold the complaint. He didn't think there was sufficient evidence Advantage Finance's answer was unfair given the evidence supplied. Miss V didn't agree, 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.

I want to acknowledge I've summarised the events of the complaint. I don't intend any discourtesy by this – it just reflects the informal nature of our service. I'm required to decide matters quickly and with minimum formality. But I want to assure Miss V and Advantage Finance that I've reviewed everything on file. And if I don't comment on something, it's not because I haven't considered it. It's because I've concentrated on what I think are the key issues. Our powers allow me to do this.

Miss V acquired the car using a hire purchase agreement, and our service is able to consider complaints relating to these sorts of regulated agreements. Advantage Finance is the supplier of the goods under the hire purchase agreement.

The Consumer Rights Act 2015 (CRA) covers agreements like the one Miss V entered into. The CRA implies terms into the agreement that the quality of goods is satisfactory.

The CRA says that the quality of the goods is satisfactory if they meet the standard a reasonable person would consider satisfactory – taking into account the description of the goods, the price or other consideration for the goods (if relevant) and all other relevant circumstances. For this case, I think the other relevant circumstances include the age and mileage of the car at the point of supply.

The car was used and had covered around 74,000 miles. I'd have different expectations of it than if it was a brand-new car. But given the car cost around £9,500 I don't think a reasonable person would expect it to have been supplied with any major issues present.

The CRA sets out that goods which do not conform to the contract at any time within the period of six months beginning with the day on which the goods were delivered to the consumer must be taken not to have conformed to it on that day unless it's established the goods did conform to the contract on that day or that the application is incompatible with the nature of the goods or with how they fail to conform to the contract.

It appears D carried out some repairs on the car shortly after Miss V acquired it. I don't have supporting evidence for what work was carried out so it's hard to reach firm conclusions. But I can see Miss V raised an issue with overheating and a hole where coolant was leaking. Given the mileage was around 79,000 by the time Miss V had an MOT carried out in July 2024, and that there's insufficient evidence of issues up to then, on balance, I think I can conclude that even if there were faults present that made the car of unsatisfactory quality at the point of supply, it seems they were repaired satisfactorily.

With regards to the more recent issues, on the one hand, Miss V supplied an email from a mechanic in July 2024 that said there was an oil leak that required further inspection. It said this must have been going on for at least 12 months as it has caused a top end knock on the engine which was getting progressively worse. The mechanic said if the leak was from the turbo it would cost a minimum of £500 to replace it with £200 labour to fix it. And to address the top end knock could run into thousands. They said if the engine needed to be replaced they wouldn't be able to tell the damage without stripping it which would cost around £250.

On the other hand, Advantage Finance arranged an independent report that sets out:

*The current issues could not have been present at the point of sale, as the symptoms would have been easily identifiable much sooner, even to a layperson. The vehicle passed an MOT after purchase, confirming its roadworthiness at that time. The engine misfire was not noted in the MOT report, suggesting it developed after the sale. The airbag warning light may have been a post-sale issue, requiring further investigation. The overall bodywork was in acceptable condition. The brakes were approaching the end of service life but were still operational, as confirmed by the MOT pass. No critical mechanical failures were evident at the time of sale.*

...

*The current faults have developed after the point of sale. Given the time elapsed and mileage covered, these issues are not the responsibility of the sales agent. Any necessary repairs should be the responsibility of the vehicle owner, as they result from maintenance needs rather than pre-existing defects. There is no evidence to suggest that the vehicle was not sold in a satisfactory condition.*

I think the report Advantage Finance arranged is more detailed and persuasive. It was

carried out by an expert with a statement of truth for the court. On balance, given the time the more recent faults manifested, the age and mileage covered by Miss V, and the report obtained, I don't think Advantage Finance acted unfairly by not upholding the complaint in relation to the quality of the car.

*Did Advantage Finance act unfairly in some other way?*

It's important to highlight that I'm primarily required to consider what happened up to when Advantage Finance issued its final response letter because the events preceding this relate to what it's had the chance to consider. If Miss V is unhappy with something it's done since the final response letter she'd need to take it up with Advantage Finance in the first instance. If she's unhappy with its response it may be something our service is able to consider for her.

It's also important to highlight that there's three parties involved here other than Miss V. I can't fairly hold Advantage Finance responsible for D's actions with other customers. I need to consider the individual circumstances of Miss V's complaint. While I know Miss V has concerns about D's actions, it's not clear there was an issue related to fraud in the supply of her goods. Advantage Finance could be held responsible for antecedent negotiations that happened between Miss V and the broker – B. Miss V said she was misled about the type of finance she took out. But I'm conscious the finance agreement she signed sets out clearly enough it's a hire purchase agreement and the terms of that agreement. I don't find I have the grounds to say the agreement was mis-sold.

Miss V also mentioned the letters Advantage Finance sent her and that they were threatening. I'm sorry to hear the letters were upsetting. But from taking a look at her statement, her last payment was made towards the agreement in June 2024 and then the following direct debit was returned. As payments weren't being made Advantage Finance did what I'd expect and wrote to Miss V about the debt and asked her to contact it. It also went on to send a default notice. Given payments weren't being made, even though I appreciate Miss V was pursuing her complaint about the quality of the car, I don't find I have the grounds to say that Advantage Finance dealt with the debt recovery unfairly.

I've taken a step back and thought about Advantage Finance's overall handling of the claim. I'm conscious Miss V said she first notified Advantage Finance about the quality issue in July 2024, and it wasn't until February 2025 that a report was carried out and it sent its final response. That seems to have taken a long time to get to that stage. Having reviewed the contact notes, Advantage Finance asked Miss V to provide evidence of the faults, along with supporting evidence when she spoke to it in July. That seems like broadly a fair request. It also wrote to her asking her to contact it when she stopped making payments.

Miss V contacted Advantage Finance in August 2024 saying she'd sent several emails to it and that she'd agreed the car could be collected. I think Miss V had been speaking to B about the issue. So I don't think Advantage Finance were fully aware of what was happening. But it did ask for further details of what was happening and let her know the agreement would remain active. By October 2024 Miss V said she was in touch with the Financial Ombudsman and that she was getting a second report done. Advantage Finance asked for the report and in December 2024 it received notification from the Financial Ombudsman Miss V had been in touch.

While I think Miss V should've got help a bit sooner, I think the delays were partly down to her dealing with B, as is understandable, and Advantage Finance not having the full picture. When it was put on notice of the complaint it carried out and paid for a report, which it didn't necessarily have to do given how long Miss V had been in possession of the car, and it issued its final response letter. On the whole, I think it responded broadly fairly.

Overall, I'm sorry to hear Miss V is unhappy. I appreciate how upsetting and distressing it can be when things go wrong with vehicles. And I know it cost a lot of money. But I can only direct Advantage Finance to take action where there are grounds to do so. As far as the core complaint goes, I've not seen enough to determine the more recent faults related to something that made the car of unsatisfactory quality at the point of supply – which is the main question I need to answer. And I think Advantage Finance's overall answer to the complaint was broadly fair too. I'm not going to make any directions.

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss V to accept or reject my decision before 31 October 2025.

Simon Wingfield  
**Ombudsman**