

The complaint

Mr H has complained about the quality of a car provided on finance by Specialist Motor Finance Limited (“SMF”).

What happened

Both parties are familiar with the events, so I’ll briefly summarise them here.

SMF supplied Mr H with a used car on a hire purchase agreement in June 2024. The cash price of the car was around £7,700 and it had covered around 94,500 miles since first registration in March 2013. The hire purchase agreement required payments of around £280 for 43 months, followed by a final repayment of around £290.

Mr H said that there were issues with the car which started a week after he acquired it. He said that the EML light was on, and the car went into limp mode due to issues relating to a turbo valve. He also said that the brake discs were warped but he’d had those repaired.

He said he’d kept up with his repayments but had also spent the value of the car on his own repairs. He’d lost a month’s wages as the car had been in for repairs for six weeks.

Mr H said that the car had been in an undeclared accident as the paint was peeling. He was told the car had a full service history which was also incorrect. The car was also leaking carbon monoxide into the cab which meant it wasn’t safe or fit for purpose.

In February 2025 Mr H complained to SMF that he’d been supplied a car that wasn’t of satisfactory quality. The mileage at this point was around 102,000. SMF acknowledged there were faults which had developed in the first six months, and that Mr H had been dealing with the broker since around September 2024. But it said that repairs had been conducted by an unauthorised repairer, so it didn’t accept liability.

SMF ultimately did not uphold the complaint, but it offered £100 for the length of time it took to respond. Mr H said he accepted the £100 on the understanding that it wouldn’t affect the main part of his complaint.

Mr H referred his complaint to our service and an investigator here looked at the complaint. She said that there wasn’t sufficient evidence that there was a fault which made the car of unsatisfactory quality. She didn’t recommend that SMF needed to do anything further.

Mr H disagreed and in summary he said:

- He reported the issues within the first two weeks
- Although he understood the car was 11 years old, he didn’t expect to pay £7,700 for a car with these issues
- He’d also discovered the car had been in an accident which caused the paint to peel.
- Mr H asked to be able to return the car, or part exchange it or to be re-imbursed the money he paid for repairs, and the car resprayed.

- He said the issues stemmed from the lack of response from the dealer and broker which meant he had no alternative but to pay for repairs.
- Mr H said he was seeking to recover money from the broker.

Mr H asked for the complaint to be reviewed by an ombudsman, so it's 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.

In considering what is fair and reasonable, I need to have regard to 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 evidence submitted by both parties, but I'll focus my comments on what I think is relevant. If I don't comment on a specific point, it isn't because I haven't considered it, but because I don't think I need to comment in order to reach what I think is the right outcome. This is not intended as a discourtesy but reflects the informal nature of this service in resolving disputes.

Where the evidence is incomplete, inconclusive, or contradictory (as some of it is here), I reach my decision on the balance of probabilities – in other words, what I consider is most likely to have happened in light of the available evidence and the wider circumstances.

Firstly, I am very sorry to hear about the difficulties Mr H has described to this service. I can't imagine how he must feel but thank him for bringing his complaint. I need to clarify that I'm only looking into a complaint about Northridge, rather than the other parties that have been involved here.

The agreement in this case is a regulated consumer credit agreement. As such, this service is able to consider complaints relating to it. SMF is also the supplier of the goods under this type of agreement, and responsible for a complaint about their quality.

The Consumer Rights Act 2015 (CRA) is of particular relevance to this complaint. It says that under a contract to supply goods, there is an implied term that "the quality of the goods is satisfactory."

The CRA says the quality of goods are satisfactory if they meet the standard that a reasonable person would consider satisfactory taking into account any description of the goods, the price and all the other relevant circumstances. In a case involving a car, the other relevant circumstances might include things like the age and mileage at the time of supply and the car's history.

The CRA says the quality of the goods includes their general state and condition and other things like their fitness for purpose, appearance and finish, freedom from minor defects, safety, and durability.

When Mr H acquired the car in June 2024 the mileage was around 94,500 and the cash price was around £7,700. The car was first registered in March 2013, so by this stage it was 11 years old. It wouldn't be unreasonable to expect the car to be showing some signs of wear and tear, and that might include the underlying components. There would be very different expectations of it than if it was a brand-new car. The price paid usually reflects the age and condition of the car.

As a starting point there would need to be some evidence of what the fault was. And secondly, that the fault renders the car of unsatisfactory quality.

I don't think it is in dispute that there is evidence that there were faults with the car and several repairs were made.

I can understand Mr H is disappointed the car had such problems, that weren't cheap or easy to rectify. He'd had the car for around seven months before he told SMF about the repairs that he'd paid for, although I understand he said that he reported issues to the dealer and broker much earlier than this. But what I have to bear in mind is that just because I've seen there are faults with the car that manifested within the first seven months, this doesn't necessarily mean the car wasn't of satisfactory quality when it was supplied to Mr H – which is what I need to decide. I'd need to see sufficient evidence the fault made the car of unsatisfactory quality when it was supplied to Mr H.

When something goes wrong with a car it isn't automatically something that the finance provider is responsible for. Sometimes the underlying components of a car suffer wear and tear which might mean that they come to the end of their serviceable lifespan during the course of a finance agreement.

Although SMF were the supplier of the car under the agreement, it was not aware that Mr H was experiencing any issues until he contacted it in February 2025. SMF is not responsible for the actions of the selling dealer in this case, or how the broker dealt with him when he contacted it. Considering the description of the faults, the time that had elapsed since supply, and the mileage covered while the car was in Mr H's possession, unfortunately the onus was on Mr H to demonstrate that the car was inherently faulty.

The issues he experienced could be due to damage sustained during Mr H's possession of the car, or reasonably expected wear and tear, or even a failed repair, which wouldn't be SMF's responsibility. Or it could point to a defect that was present at the point of supply. We don't now have any way of establishing what was wrong which meant it needed those repairs.

I've not seen sufficient evidence to clearly say those faults made the car not of satisfactory quality. I've considered Mr H's testimony, the invoices, diagnostics, text messages, video, and emails, but I haven't seen anything else such as an independent report. The diagnostics are unfortunately inconclusive, as they don't give an opinion on what caused the issues. I also have to take into account that I don't have any information about the servicing history of the car or how Mr H maintained it. I have to take into account the mileage that the car covered while it was in his possession. It's not clear what the mileage was when repairs were carried out in November 2024, but by February 2025 the mileage was around 101,900, which meant Mr H had been able to cover around 7,400 since the car was supplied. I don't think the car would have been able to do that if it wasn't of satisfactory quality when it was supplied.

I've noted Mr H told our investigator that he was told the car came with a service history. But having checked the advert I can't see any clear indication that it was advertised as having a full service history. He's also said that the car was in an undisclosed accident because of the condition of the paintwork. I've not seen any compelling evidence he was told something which turned out to be untrue or that key information wasn't disclosed. But in any case, SMF aren't responsible for the negotiations carried out with the selling dealer, because it wasn't acting as SMF's agent.

I'm not saying something definitely didn't go wrong, merely that I don't think it would have been unreasonable for SMF to have expected there to be more detailed supporting evidence

for the faults and confirming that they were present or developing at the point of supply, or that the car wasn't sufficiently durable. It would be impossible for me to say now, even on the balance of probabilities, that there was an inherent fault or that the car wasn't sufficiently durable.

During its investigation I can see that SMF tried to make enquiries of all the parties that had been involved. It did take into account information provided by the broker, but it wasn't able to interrogate this or force it to provide more. SMF isn't responsible for the broker's actions after the agreement was entered into. I need to explain that our service is also reliant on the evidence put before us, we can't compel witnesses or marshal evidence in the same way a court can.

Mr H explained the repairs he'd had done to SMF after five months of having been supplied with the car. So, at that point, it's possible that Mr H could have demonstrated the car wasn't conforming to the contract he'd entered at the point of supply. But Mr H didn't contact SMF until February 2025 and by then it had lost the opportunity to prove otherwise. Ordinarily, SMF could have asked the supplying dealer to take a look at all the issues Mr H had raised, or it could have arranged for an independent inspection of the car to take place, to help determine when the faults may have arisen and establish liability. But by having the car repaired before notifying SMF of his concerns, Mr H has (albeit unintentionally) deprived it of the opportunity to have the car inspected with the faults present. I also appreciate that Mr H might not have been fully aware of his rights, and he'd spent a lot of time dealing with the broker, but that doesn't mean I can direct SMF to do something when it wasn't aware of the issues he was experiencing.

I've noted that SMF offered £100 for the length of time it took to respond, which has been accepted by Mr H. For completeness I think that it did respond within the time allowed and I don't think its answer was unreasonable given the difficulties it had getting information from the broker. I'm pleased to see that it acknowledged this with its offer, but I'm not going to direct it to do more.

I appreciate Mr H is unhappy he feels he's lost out. I'm sorry to disappoint Mr H, but without sufficient evidence of faults which made the car of unsatisfactory quality, I find I don't have the grounds to direct SMF to do anything further.

Mr H doesn't need to accept my decision, and he'll be free to pursue the complaint by other means, such as through the court, after obtaining legal advice, as necessary.

My final decision

My final decision is that Specialist Motor Finance Limited don't need to do anything further to resolve this complaint.

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

Caroline Kirby
Ombudsman