

The complaint

Miss W complains about the quality of a used car that was supplied through a hire purchase agreement with STARTLINE MOTOR FINANCE LIMITED (SMF).

What happened

The circumstances surrounding this complaint and my initial findings were set out in my provisional decision which is attached to this decision; it should be read and considered in conjunction with this final decision.

I sent Miss W and SMF my provisional decision in July 2025. I explained why I thought the complaint should be upheld, and I invited both parties to make any further comments. However, neither party has responded to my provisional decision.

Now both sides have had an opportunity to comment, I can go ahead with my 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.

As neither party responded to my provisional findings, I see no reason to depart from them.

I still consider my provisional decision to be fair and reasonable in the circumstances. Neither party has added anything which gives me cause to change these. Therefore, for the reasons as set out in my provisional decision, I'm satisfied that the car supplied to Miss W wasn't of satisfactory quality at that point because it wasn't suitably durable. So, my final decision is the same.

Putting things right

Given that I've concluded the failure of the wiring meant the car wasn't suitably durable, under the CRA the car wouldn't have been of satisfactory quality when it was supplied to Miss W. So SMF will need to put things right for her.

Miss W confirmed her car insurance paid out to settle the agreement and left her with a balance of £3,820.35. Had Miss W been able to reject the car for being unsuitably durable, she would have received her deposit of £6,000 back. So, the current situation has left Miss W at a loss. In the circumstances I'll be instructing SMF to refund to Miss W the difference between her deposit and what she was paid out from her insurer following the settlement of the agreement.

Miss W should also receive a refund for any monthly repayments she's made whilst she had no use of the car after 27 August 2024.

Miss W has told us about the damage caused to her driveway and has provided a quotation for £1,620 for repair. The quotation was provided by a registered, professional landscape service provider, so I have no reason to doubt to reasonability of the quotation provided. Having seen the video footage and images of the fire, I'm satisfied Miss W's drive would have sustained considerable damage, and I think it's reasonable that SMF cover the cost of the repairs for this as it was a result of the unsatisfactory quality of the car that was supplied to her. So, I'll be instructing SMF to pay Miss W £1,620, as specified on the quotation issued.

Miss W also told the Investigator about the additional insurance payments she had to make. I recognise the Investigator recommended SMF pay for this, however, I don't think it'd be fair to ask SMF to absorb this cost. Miss W had insurance for her car whilst she was in possession of it. And in this instance the insurance was something she had use of. The repayment of the policy is likely to be covered in the terms of the policy, and something that SMF is not responsible for. If Miss W believes it was unfair for her to have to continue paying for the policy up to February 2025, then that's a concern or query she may decide to raise with the insurance provider.

Miss W has described the impact this situation has had on her, I'm in agreement with the Investigator that £300 is a fair recognition of this. So, I'll be instructing SMF to pay this to her.

My final decision

My final decision is that I uphold Miss W's complaint against STARTLINE MOTOR FINANCE LIMITED and instruct them to:

- refund to Miss W the difference between the deposit she paid (£6,000) and the insurance payout she received (£3,820.35 as confirmed on her insurance documentation) (if any part of the initial deposit is made up of funds paid through a dealer contribution, STARTLINE MOTOR FINANCE LIMITED is entitled to retain that proportion of the deposit)
- refund to Miss W all monthly repayments she made on the agreement after 27 August 2024 when she stopped using the car
- pay to Miss W the value of the quotation received for the repairs to the driveway (£1,620 on the invoice dated 12 December 2024)
- pay Miss W £300 in compensation to recognise the distress and inconvenience she would have experienced as a result of the issue
- remove any adverse information that may have been recorded with the credit reference agencies in relation to this agreement (if applicable).

STARTLINE MOTOR FINANCE LIMITED should pay 8% yearly simple interest on all refunds calculated from the date of payment to the date of settlement.

If STARTLINE MOTOR FINANCE LIMITED considers that it's required by HM Revenue & Customs to withhold income tax from the interest part of my award, it should tell Miss W how much it's taken off. It should also give Miss W a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss W to accept

or reject my decision before 9 September 2025.

Benjamin John
Ombudsman