

## **The complaint**

Mr G complains that the car he acquired financed through a hire purchase agreement with Advantage Finance Ltd (“AFL”) wasn’t of satisfactory quality.

## **What happened**

In October 2024 Mr G acquired a car financed through a hire purchase agreement with AFL. Shortly after taking delivery of the car it developed problems related to the suspension which Mr G said he arranged to be repaired due to the dealer’s inaction. The car then developed engine problems (engine misfiring, white smoke from the exhaust, increased fuel consumption, and excessive vibration). Mr G had the car inspected and significant faults were diagnosed. Mr G said the dealer had been uncooperative and delayed the repair process. He raised a complaint with AFL and an independent inspection was arranged in January. The report concluded there were issues which required the dealer to investigate further. Mr G had the car looked at again by a third party in March and further issues were diagnosed.

With no repairs forthcoming Mr G brought the complaint to this service. AFL said it was waiting for the dealer/broker to authorise the repairs.

Our investigator concluded the car wasn’t of satisfactory quality and as the complaint had been ongoing for some months and the car still hadn’t been repaired she considered it now fair and reasonable that Mr G be allowed to reject the car. Mr G said he’d incurred repair costs and other transport costs due to the problems with the car. The investigator recommended refund of some of the repair and diagnostics costs (£262.93 for suspension in January 2025, £75 for the diagnostic in March 2025 with Garage K and a further diagnostic with Garage B) and £200 compensation for the distress and inconvenience caused. AFL accepted the investigator’s recommendations. Mr G requested payments and further repairs be refunded and additional compensation so the investigator revised the remedy upwards to include refund a further diagnostic fee of £130 Mr G paid in May 2025 and refund £200 for the MAP repair that was completed.

AFL did not accept the changes to the remedy. Mr G requested refund of all his payments as well as further travel costs, insurance and tax. So the complaint has come to me for a 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.

Having done so I agree with the conclusions reached by the investigator for the reasons I’ve outlined below.

I’ve seen that Mr G has made numerous points in support of his complaint. I know that I’ve summarised it in far less detail and in my own words. I’m not going to respond to every single point made by Mr G. No discourtesy is meant by this. Instead, I’ve focussed on what I

think is the crux of the complaint. Our rules allow me to do this. This simply reflects the informal nature of our service. If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point to be able to reach what I think is the right outcome.

In considering what is fair and reasonable I need to have regard to the relevant law and regulations, regulator's rules, guidance and standards, codes of practice and (where appropriate) what I consider having been good industry practice at the relevant time. Mr G's hire purchase agreement is a regulated consumer agreement and as such this service can consider complaints relating to it.

AFL, as the supplier of the car, was responsible for ensuring it was of satisfactory quality when it was supplied to Mr G. Whether or not it was of satisfactory quality at that time will depend on several factors, including the age and mileage of the car and the price that was paid for it. The car was about 12 years old, had been driven for 104,800 miles and had a price of £6.495.

It's not disputed the car wasn't of satisfactory quality. AFL has accepted this and has agreed that Mr G can return the car and for the agreement to be ended. It has also agreed to the refund of some costs and compensation.

In response to our investigator's view AFL provided a statement from the broker/dealer concerning the timeline and repairs. In summary it appears the broker was looking to repair the vehicle and not reject it. It said Mr G hadn't previously requested rejection. But AFL accepted the investigator's findings and agreed to the rejection. And it didn't provide any additional comment on top of the statement changing its position regarding the vehicle rejection.

What is in dispute is whether Mr G should be refunded additional costs and increased compensation.

#### *Refund of payments & travel costs*

Mr G believes he should be refunded all the payments he's made towards his agreement. He has also itemised additional travel costs. I understand Mr G's frustration with the problems he's had with the car and the delay in getting them diagnosed and repaired. He believes he should be refunded all payments because he has an unreliable car. But I've seen that Mr G has driven over 5,500 miles since he's had the car so I'm persuaded he's had fair use of it as this is about average. AFL has already refunded two monthly payments for loss of use and enjoyment of the car. We wouldn't normally recommend a business refund agreement payments as well as travel costs. And I've seen no reason to do so in this case.

#### *Tyres*

Mr G has asked to be refunded for replacement tyres. He said the independent report stated, "a bulge was noted in the near side front tyre necessitating the replacement of both front tyres." Mr G said within a week of receiving the vehicle this bulge tyre exploded, leading to an immediate and unavoidable replacement. He said this was not a result of his usual or general wear and tear but a pre-existing defects that made the vehicle unsafe. It's not clear to me when the tyre exploded. But it appears to be after the independent inspection. At this point Mr G had driven the car nearly 1,000 miles. Tyres are subject to wear and tear and I've no evidence there was a problem with the tyre beyond normal wear and tear at the point of purchase. So I won't be asking AFL to refund these costs.

### *Compensation*

Both parties have disagreed with the amount of compensation. In his response to our investigator's view Mr G explained how these problems with the car had affected his deployment overseas. I can also see that he engaged fully with the dealer, the broker and AFL to try to get the car repaired. In January and by May he was still experiencing issues with it. So I'm persuaded £250 is fair and reasonable. Mr G would like more but it's not my role to punish the business and £250 is what I would expect to award in these circumstances.

### *Additional diagnostic and repair costs*

Mr G explained that he has incurred additional costs including a further diagnostic fee in May 2025. He said *"since the last correspondence, the vehicle has undergone two more inspections. On top of that, the MAP sensor was repaired as AFL requested a quote before the repair could be done, but the garage was unable to provide a quote without the repair being completed."*

I've seen copies of emails between Mr G and AFL where it requested a quote and AFL hasn't stated why it doesn't agree to pay these costs. So I think it fair and reasonable AFL refund both the additional diagnostic and the repair.

### *Insurance and tax*

Mr G was legally required to insure and tax the vehicle so I'm not able to ask the business to reimburse these.

### **Putting things right**

To put things right Advantage Finance Ltd must:

- End the finance agreement ensuring the customer is not liable for monthly rentals after the point of collection (it should refund them any overpayment for these if applicable).
- Collect the car (if it has not already done so) at no cost to Mr G.
- Refund Mr G his deposit of £2,800.
- Refund Mr G's costs for repairs and diagnostics (Mr G would need to provide receipts for all to AFL):
  - £262.93 for suspension in January 2025,
  - £75 for the diagnostic (Garage K) in March 2025
  - Garage B's diagnostic fee in March 2025
  - £200 for the MAP repair.
- Pay 8% simple yearly interest on all refunded amounts from the date of payment until the date of settlement
- Pay £250 in compensation for the distress and inconvenience caused.
- Remove any adverse information recorded on Mr G's credit file in relation to this credit agreement (if applicable).

### **My final decision**

My final decision is I uphold this complaint and Advantage Finance Ltd must put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 27 October 2025.

Maxine Sutton  
**Ombudsman**