

## **The complaint**

Mr B complains that the car he acquired financed through a hire purchase agreement with Specialist Motor Finance Limited (“SMFL”) wasn’t of satisfactory quality.

## **What happened**

On 29 May 2024 Mr B acquired a used car financed through a hire purchase agreement with SMFL. In February 2025 Mr B complained to SMFL. He said the car wasn’t fit for purpose. He provided a report from a third party garage which stated the auto gear box was faulty and was advised to take it to a specialist. He was also advised not to drive the car.

In its final response SMFL said it wasn’t upholding the complaint as it hadn’t seen acceptable evidence that confirms a fault was developing at the point of sale. It invited Mr B to obtain evidence by independent inspection. Mr B didn’t agree and brought his complaint to this service. He said he’d had numerous problems with the vehicle he feels were not related to wear and tear.

Our investigator concluded the problems with the car were more likely due to wear and tear and the car was of satisfactory purpose when supplied. Mr B didn’t agree and asked for a decision from an ombudsman. He said he’d only had the car for nine months and he’s paying for a car he can’t use, with problems the warranty won’t cover. He also said he’d had another garage look at the car.

## **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 realise this will come as a disappointment to Mr B but having done so I won’t be asking SMFL to do anything further for the reasons I’ve outlined below.

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 B’s hire purchase agreement is a regulated consumer agreement and as such this service can consider complaints relating to it.

SMFL, as the supplier of the car, was responsible for ensuring it was of satisfactory quality when it was supplied to Mr B. 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 nine years old, had been driven for 93,183 miles and had a price of £10,490. Satisfactory quality also covers durability which means that the components within the car must be durable and last a reasonable amount of time – but exactly how long that time is will depend on several factors.

I’m satisfied there is a fault with the car. I say this because I’ve seen an invoice from a third party garage which diagnosed problems with the gear box. It said it found several faults in

memory relating to the gear box slipping. It cleared the faults, carried out a road test, and found the car slipping in gears four to six. The garage said it suspected the auto gear box was faulty but would not be able to repair it and recommended Mr B took it to a gear box specialist. It also recommended Mr B not drive the car until it is fixed.

If I am to decide the car wasn't of satisfactory quality I must be persuaded faults were present at the point of supply. Faults that developed afterwards are not relevant, moreover even if the faults reported were present at the point of supply this will not necessarily mean the car wasn't of satisfactory quality. This is because a second-hand car might be expected to have faults related to reasonable wear and tear.

While I'm satisfied there is a fault with the gear box the evidence provided hasn't indicated if it was present or developing at the point of sale. In its final response SMFL invited Mr B to obtain an independent inspection of the car to diagnose any fault and whether it was present at the time of purchase. But this hasn't happened. In response to the investigator's view Mr B told this service he'd had another garage look at the car but he didn't provide a report or job sheet from this garage.

Where the evidence is incomplete, inconclusive or contradictory I reach my decision on the balance of probabilities - in other words what I consider is most likely to be the case considering the available evidence and the wider circumstances.

With regular maintenance the gear box on this model of car can last over 150,000 miles. But it can also fail earlier than that depending on driving style and driving conditions and if the car isn't regularly serviced. I don't know the vehicle's service history. There is nothing on the MOT history to suggest any problem with the gear box was developing. The car was over nine years old when Mr B acquired it and there's no evidence to suggest it didn't have the original gear box. When it failed it had been driven for over 100,000 miles.

Mr B had had the car for about nine months and had driven about 9,000 miles himself which is above average. I think it unlikely he would have been able to drive that amount of miles if the car had been developing a gear box problem from the time he took possession of it. So I'm persuaded the fault wasn't present or developing at the point of sale. As Mr B had been able to drive about 9,000 miles before the failure I'm persuaded the gear box failed as a result of wear and tear and that the car was reasonably durable.

Mr B was also unhappy that the warranty was not able to cover the gear box. He said he was told the gear box was covered. While investigating the complaint SMFL spoke to the dealer. The dealer told SMFL Mr B had enquired about whether the gear box was covered under warranty but was reminded that the warranty expired six months after Mr B took the vehicle. SMFL said the dealer had advised Mr B to get a full diagnostic and if it is needed the most cost effective way would be to purchase a re-conditioned gearbox. This may be something Mr B would like to consider going forward.

I'm sympathetic to the fact this isn't the news Mr B would like but I'm persuaded the car was of satisfactory quality at the point of delivery and I won't be asking SMFL to do anything further.

### **My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 23 October 2025.

Maxine Sutton  
**Ombudsman**