

The complaint

Miss H complains that a car she acquired financed through a hire purchase agreement with Marsh Finance & Commercial Limited (“Marsh”) wasn’t of satisfactory quality.

What happened

In October 2023 Miss H acquired a used car financed through a hire purchase agreement with Marsh. She said she noticed the footwell was wet when she brought the car home, dried it but it became wet again. Miss H said the dealership reluctantly paid for the repairs. In September 2024 the car had an intermittent knocking noise leading to a diagnosis of a new turbo. She paid £1,414 and was without the car for a few weeks. In October she had two new tyres fitted and the car had to be jump started. She said this then happened a few times. She replaced the battery in or around December.

Miss H said the knocking noise returned and the car lost power intermittently but the garage couldn’t find the fault. She eventually had to have the car recovered from the motorway. A subsequent inspection by a garage diagnosed issues with the fuel pressure sensor, cylinder misfire, loose spark plug, failed head gasket, coolant in cylinder and damaged piston. The report concluded a new engine was required. Miss H raised a complaint with Marsh.

In its final response Marsh said it was necessary for Miss H to prove that the reported faults were existing at the date of supply and invited her to commission an independent inspection. Miss H brought her complaint to this service. She also agreed to have the inspection done.

Following the inspection and after obtaining further testimony from the supplying garage our investigator concluded there wasn’t enough evidence to say the issues were present or developing at the point of sale. Miss H didn’t agree and asked for a decision from an ombudsman. She said she believes she was sold an unfit 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 can see that the situation with the car has been difficult for Miss H and has caused her a great deal of anxiety so I’m conscious this will come as a disappointment to her but having done so I won’t be asking Marsh to do anything further for the reasons I’ve outlined below.

I trust Miss H won’t take it as a discourtesy that I’ve condensed the complaint in the way that I have. Ours is an informal dispute resolution service, and I’ve concentrated on what I consider to be the crux of the complaint. Although I’ve read and considered the whole file, I’ll keep my comments to what I think is relevant. If I don’t comment on any specific point, it’s not because I’ve not considered it but because I don’t think I need to comment on it to reach 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. Miss H's hire purchase agreement is a regulated consumer agreement and as such this service can consider complaints relating to it.

Marsh, as the supplier of the car, was responsible for ensuring it was of satisfactory quality when it was supplied to Miss H. 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 five years old, had been driven for approximately 57,770 miles and had a price of £14,490. 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.

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.

I'm satisfied there is a fault with the car. I say this because I've seen a copy of the independent inspection which identifies the vehicle has a breached cylinder head gasket and internal component failure, allowing coolant into the combustion chamber. I've also seen a copy of an invoice for a diagnostic inspection by a third party garage which concludes that a new engine is required.

The independent inspection concluded that

“There is insufficient evidence at this time to confirm that the fault was present or developing at the point of sale.

The vehicle has now covered 11,000 miles and has not been serviced during the current ownership, which may have contributed to the deterioration.

While the mechanical condition suggests progressive failure, we cannot assign responsibility to the selling agent unless the customer can provide dated, third-party evidence to support their claim of early symptom onset...

Based on the physical evidence alone, there is no doubt the engine is defective. However, in the absence of supporting documents showing early-stage symptoms shortly after the date of sale, we cannot confirm that the condition was pre-existing or developing at the point of sale.”

The selling dealership also provided a copy of the visual health check (VHC) dated 12 November 2023 and pre-delivery inspection form dated 29 September 2023. There is nothing on these reports to indicate any issue related to the current faults. The dealership noted the car had had an MOT in October 2024 at 66,433 miles. So Miss H had been able to drive 8,663 miles by this point. I checked the MOT records and the advisories noted on the MOT records for both 2023 and 2024 were only related to tyres. The dealership also reported that the only red ticks (on the VHC) were the works that it rectified with the manufacturer - clutch master cylinder leak, causing a stiff clutch pedal which was repaired by the dealership.

Miss H had the car for about 16 months and had driven it approximately 1,100 miles before it failed due to the cylinder head gasket issue which led to engine failure. I haven't seen evidence which persuades me this fault was present or developing at the point of sale. So I'm persuaded the car was likely of satisfactory quality when Miss H acquired it.

I'm sympathetic to the fact this is not the news Miss H would like but I won't be asking Marsh to do anything further. Miss H has indicated she may take this issue further. Nothing in this decision prevents her from pursuing the complaint through the courts. Although of course this would come with other costs and risks.

Miss H has indicated to this service that she is struggling financially. She should make contact with Marsh to discuss this. Businesses have a responsibility to respond sympathetically and positively to customers where they are aware of financial difficulty

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 Miss H to accept or reject my decision before 20 October 2025.

Maxine Sutton
Ombudsman