

The complaint

Ms W complains about a car supplied under a hire purchase agreement, provided by Zopa Bank Limited.

What happened

Around November 2023 Ms W acquired a used car under a hire purchase agreement with Zopa. The car is listed with a cash price of £17,289 on the agreement, was around eight years old and had covered around 70,000 miles. Ms W paid a deposit of £3,700.

Unfortunately, Ms W says the car developed issues. She says in August 2024 the turbo failed, followed by an engine failure in December 2024. She said the initial repair cost £2,583.56 and the second was quoted as £12,587.71. Ms W said the situation has caused significant personal and financial problems.

Ms W got an engineer's report carried out, dated 27 January 2025 ('report A'). This said, in summary, that the car had suffered a failed turbo and then later a timing chain failure. It said that the car had an incomplete service history, that there was a suggestion the timing chain was in a condition that "*needed addressing*" before Ms W acquired the car, that the turbo failed prematurely and that the timing chain issue would've been developing over a significant period of time.

Ms W complained to Zopa. An independent 'desktop' report was then completed at the end of February 2025 ('report B'). In summary, this said it didn't think the timing chain or turbo had a fault that was present or developing when the car was supplied to Ms W.

Ms W raised concerns about report B, including that it referred to records that didn't exist and got the timeline of events wrong.

At the end of February 2025 the company that produced report A commented on report B. They said, in summary, that the conclusions of report B were not valid and that it believed issues with the turbo and timing chain were developing prior to Ms W getting the car.

Zopa issued its final response in March 2025. This said, in summary, that the car wasn't sold with a full-service history. It said the car was able to complete around 8,500 miles before the turbo failed and around 11,800 miles before the engine failed. Zopa said it didn't agree with the conclusions of report A and so said it wasn't upholding the complaint.

Ms W remained unhappy and referred the complaint to our service. She said the dealer had reassured her that the car had service history, but it only had one service recorded. She said a service document had been given to Zopa that had her name on but was dated from before she viewed the car. Ms W told our service she believes the reason the turbo and engine failed was because the car had been so poorly maintained before she acquired it.

Our investigator issued a view and upheld the complaint. In summary, she said she was persuaded by the findings of report A. So she thought the car was not of satisfactory quality when supplied. She said Ms W should be allowed to reject the car, be refunded the cost of

the turbo replacement, be reimbursed all payments past December 2024 and be paid £250 to reflect the distress and inconvenience caused.

Zopa responded and said it didn't agree. In summary, it said Ms W had used the car for several thousand miles before the faults occurred. And it said there was no evidence the car was sold with a full service history, which would likely have contributed to the faults.

Our investigator issued a second view and explained she still thought the complaint should be upheld. She said she thought it was likely Ms W 'chased' the dealer for the service history of the car.

As Zopa remained unhappy, the complaint was passed to me to decide. I sent Ms W and Zopa a provisional decision on 30 July 2025. My findings from this decision were as follows:

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 initially think this complaint should not be upheld. I'll explain why.

Ms W complains about a car supplied under a hire purchase agreement. Entering into regulated consumer credit contracts such as this as a lender is a regulated activity, so I'm satisfied I can consider Ms W's complaint against Zopa.

I'd like to explain to both parties that I may not comment on every individual complaint point or every piece of evidence. I want to reassure Ms W and Zopa that I've carefully considered all of the information. But I'm going to focus my decision on what I consider to be the key facts and the crux of the complaint. This reflects the informal nature of our service.

When considering what's fair and reasonable, I take into account relevant law, guidance and regulations. The Consumer Rights Act 2015 ('CRA') is relevant to this complaint. This says, in summary, that under a contract to supply goods, the supplier – Zopa here – needed to make sure the goods were of 'satisfactory quality'. The CRA explains the durability of goods can be considered as part of whether they are of satisfactory quality.

Satisfactory quality is what a reasonable person would expect, taking into account any relevant factors. I'm satisfied a court would consider relevant factors, amongst others, to include the car's age, price, mileage and description.

So, in this case I'll consider that the car was used, had covered around 70,000 miles and was around eight years old. This means I think a reasonable person would not have the same standards as for a newer, less road worn model.

I think it's important to address up front the car's service history. The reason I say this is I'm satisfied the history is a 'relevant factor' in this case, particularly when considering the car's durability.

From the manufacturer's service records, I've assumed this model of car had a maximum servicing interval of either two years or 21,000 miles.

From what I've seen of the car's service history prior to Ms W acquiring it, it was serviced at:

- 21 September 2015 - 6 miles (pre delivery inspection)
- 06 June 2017- 17,846 miles

- 1 November 2023 – 70,196 miles

This means there is a very significant gap. The car appears to have been driven for around 52,350 miles and for around six and a half years without being serviced. I'm satisfied this means parts of the car will have suffered from significantly more wear and tear than they would have if it had been serviced in line with the manufacturer's guidelines.

I'm satisfied this means in this particular case that a reasonable person would not have the same expectations for the car's durability as they would for another which had been differently maintained. I think they may expect more maintenance would be required, and that parts that would suffer from wear and tear may fail earlier.

I've considered that Ms W says she was told the car had been serviced more than it appears to have been. But, I've seen no evidence of this. I've seen some text messages that Ms W says were with the dealer. In this, she questioned the lack of service history. But I can't see any response from the dealer, nor anything else to suggest she was given incorrect information.

I've also seen a copy of the text from when the car was advertised. This stated:

"comes with (manufacturer) service history present"

It's important to note this doesn't say comes with full-service history. It might help to briefly explain that if the car was advertised with full-service history, this means I would expect it to have a record of being serviced in line with the manufacturer's guidelines. If a car was advertised with 'service history', this means I would expect it to come with records of some servicing. This appears to be the case here, so I think the car was as described.

I've then gone on to consider the issues the car had.

Neither party seems to dispute in this case that Ms W's car suffered from a failed turbo and then a failed timing chain which led to an engine failure. Having reviewed things, I also agree this was the case.

I say this as I've seen an invoice for a turbo replacement from 23 August 2024. The mileage was noted as 78,498. Report A, which I'll cover in more detail below, confirms a failed timing chain. And I've seen a copy of a quote dated 12 February 2025 for a replacement engine.

What I need to consider is whether these issues mean the car was of unsatisfactory quality.

I've seen a copy of report A from January 2025. The mileage was noted as 81,834. This said:

"(Ms W) was afforded the re-assurances that the vehicle came with a full service history"

"In August 2024 the turbo charger failed, this was as a result of bearings within the turbo charger failing and the impellar (sic) was fowling the impellar (sic) housing causing a whirring noise when the vehicle was driven."

"At the time of my inspection the engine was not dismantled however, from documents held by my Client at the time of failure the cause was identified as being a failed timing chain"

"On reviewing the documentation and from experience the failure of the turbo charger at 78,498 miles could have been a marker to suggest the timing chain and guides/slippers were supporting signs of wear. This would suggest that the timing chain was in a condition that

needed addressing prior to the vehicle being purchased by my Client.”

“The failure of the turbo charger prematurely was more than likely a result of low oil pressure which caused the bearings to fail.”

“The catastrophic damage caused as a result of the timing chain failure would have been developing over a significant length of time and certainly prior to my Clients purchase of the vehicle.”

“The lack of any recognised service history which does not confirm if or when servicing was carried out could have contributed to the failures experienced.”

As I’ve already explained, I don’t believe the car was sold with a full-service history, which I need to consider when thinking about this report’s conclusions.

I’ve seen a copy of report B from February 2025. This said:

“This is a desktop report — no physical inspection of the vehicle was required.”

“The vehicles MOT results around the time of sale confirm that it was free of obvious engine noise or timing chain issues. Had the timing chain been faulty (e.g., producing abnormal chatter or noise), the MOT tester would likely have noted such a defect or refused to issue a pass.”

“The service invoice and MOT history provide strong documentary evidence that the vehicle was properly maintained and fit for purpose at the point of sale”

“Regarding the turbocharger failure, while turbocharger issues can be induced by poor oil quality, lack of maintenance, or oil cavitation—which may also affect timing chain performance—these issues typically develop post-sale rather than being pre-existing.”

“In our professional opinion, based on the MOT history, service documentation, and overall vehicle condition, there is insufficient evidence to conclude that the timing chain was faulty at the point of sale.”

“There is no reliable evidence in the documentation or MOT records to indicate that the timing chain was faulty at the point of sale.”

“It is our professional opinion that the timing chain fault and subsequent turbocharger failure developed after the point of sale, likely as a result of factors such as post-sale maintenance issues or oil-related problems.”

I don’t agree with the report’s finding that the car had been properly maintained prior to Ms W acquiring it. And I also agree with Ms W that the report seems to conclude the faults occurred the incorrect way around. So, I again need to consider this when deciding what weight to put on the findings here.

I’ve seen the comments from the company that produced report A about report B. They said:

“I have reviewed the report and it appears to have been compiled in a rushed nature and containing many inconsistencies and errors.”

With regard to the vehicle not passing the MOT test with significant timing chain faults, as unusual engine noises would have been detected, this is incorrect and certainly misleading”

“any issues with the oil quality or past poor maintenance would have been as a result of pre-

purchase events which are beyond my clients control"

"To conclude the (name of company that produced report B) report does not confirm any credible evidence that the issues have developed since the point of sale but does confirm wear to the timing chain was present at that time and issues to the turbo and chain by way of poor oil, lack of maintenance or oil cavitation, all of which are related to pre purchase actions."

I've then seen some comments that appear to be from the supplying dealer about the car. These state:

"(dealer name), can confirm that they carried out a service and PDI (which would check the timing chain) on the vehicle in question (reg no.) prior to delivery and it also passed an MOT with an independent MOT test station with no advisories"

I've seen a copy of a 'vehicle inspection report' from the dealer dated 13 November 2023 where the mileage was noted as 70,196. This had a checklist of significant length. Some of the items noted as a 'pass' included:

"Cold starting"

"Fast idle (cold)"

"Noise level (cold)"

"Turbo/supercharger noise"

"Engine noise"

"Engine performance"

I've very carefully thought about all of this. I appreciate reports A and B make different findings about the situation. I want to reassure Ms W and Zopa that I've considered all of the details included and had them in mind. And I've also noted all of Ms W's concerns about report B along with what the author of report A said about it. However, I don't think I need to cover off all of the findings and contradictions from the reports in detail to reach a fair and reasonable conclusion here.

I'm satisfied the question of whether the faults were present when Ms W got the car is a very simple one. I find the car could not have been driven with either a failed turbo nor a failed timing chain. I also think the fact the faults were not present is reflected in the inspection from the dealer, given what was recorded. And nothing in the reports persuades me otherwise.

That brings me on to consider whether the faults were developing at the point of supply. Report A clearly states the issue with the timing chain would've begun prior to Ms A getting the car. But I'm not persuaded by the finding that "the timing chain was in a condition that needed addressing prior to the vehicle being purchased by my Client".

I say this as there is no supporting evidence that this was the case. I'll cover this off below, but the car was driven for a significant period without issue. And a timing chain close to failure may exhibit certain characteristics and sounds, but I've not seen any evidence these were present when Ms W got the car. And given the specific checks that appear to have been carried out, I think it's more likely than not that these characteristics would've been apparent during these checks.

The timing chain, and the turbo, would be parts of the car that suffered from wear and tear. My understanding is that the lifespan of both could be highly impacted by a lack of servicing, particularly in relation to oil changes. And I need to consider that the gap in the car's service history was very significant.

So, thinking about this, I think a reasonable person would've expected the timing chain and turbo to both have suffered from wear and tear at the point Ms W got the car. But this doesn't mean the car was of unsatisfactory quality. What I need to consider is whether a reasonable person would consider that the faults, when they occurred, meant the car wasn't durable.

At the point the turbo failed, Ms W had the car for around nine months, and it had covered around 8,500 miles. I find, given the car's age, mileage and service history, that a reasonable person would find it durable in relation to the turbo.

When the timing chain failed, Ms W had the car for over a year. And it had covered around 12,000 miles. Again, under all the circumstances I find a reasonable person would consider the car to have been durable in relation to the timing chain.

It follows all of this that I find the car was of satisfactory quality when it was supplied to Ms W.

Ms W raised concerns that the service from November 2023 was invoiced to her, but she hadn't yet seen the car. The dealer commented on this and explained if an invoice is produced retrospectively, then the consumer's name will appear on it. I've carefully thought about this, but I'm not persuaded this most likely means a service wasn't carried out at this point. So, this doesn't change my opinion.

I want to reassure Ms W and Zopa that I've carefully considered all of the other points raised, information, and evidence. But having done so, I do not think this complaint should be upheld.

I gave both parties two weeks to respond with any further comments or evidence.

Zopa responded and said it had nothing further to add.

Ms W made some further points for me to consider. And she sent in a letter from the company that produced report A, commenting on the provisional 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.

I've thought about the letter sent in from the company that produced report A. This said, in summary, that having reviewed the provisional decision it believed the issues were developing at the point of supply.

The author based their conclusions, at least in part, on a passage it said was from my provisional decision which they set out:

"He then says in the penultimate paragraph ""the invoice for a service produced by the supplying dealer in the Claimants name most likely means the service was not carried out at this point"""

This quote was not in my provisional decision. To be clear, I reached the opposite conclusion about the service at the supplying dealer, and explained I did not think Ms W's concerns meant the car wasn't serviced at the time.

I'm unsure why the author has misquoted me. But having thought about this, I am not putting much weight on this evidence and the contents of this letter do not change my opinion.

I've then considered what Ms W said.

In summary, she said she believed the car had additional service history than what was recorded, and that it was "*very deceptive*" to advertise a car with 'service history' if it hadn't been serviced for a considerable time.

I've carefully thought about everything Ms W said in relation to this. But I still don't think she was given incorrect information about the service history, nor have I seen the car was serviced more than I previously explained.

Ms W again questioned whether the car was serviced by the dealer before it was supplied. But, having thought about everything again, I haven't seen enough to persuade me a service wasn't carried out.

Ms W also set out that she believed the supporting evidence showed the issues were developing at the point of supply. I've carefully considered what she said here, and I've thought about all of the information and evidence again, along with the reports she mentioned. But, having done so, I still don't think this complaint should be upheld.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms W to accept or reject my decision before 24 September 2025.

John Bower
Ombudsman