

The complaint

Mr M complains that a car supplied to him under a hire purchase agreement with RCI Financial Services Limited trading as Mobilize Financial Services (RCI) is of unsatisfactory quality.

What happened

In August 2023, Mr M entered into a hire purchase agreement with RCI to purchase a used car. The car was around six years and nine months old and had travelled around 56,621 miles. The cash price of the car was £11,668.00 with an advance payment of £129.76 being paid as listed on the agreement paperwork. The total amount repayable on the agreement was £15,629.16 payable by 59 monthly payment of £258.32 to be followed by a final payment of £258.52.

Mr M explained that soon after purchasing the vehicle, he had to take it back to the dealership due to an engine management light appearing. Following this he said the problem would keep coming back. Mr M explained the car was taken back to the dealership, and was told the vehicle needed brake pads and discs, but the vehicle was still pulling and juddering. Mr M then explained the vehicle was suffering some power issues with the engine management light (EML) illuminating. Eventually in January 2025, Mr M said the vehicle lost power and speed with the car shaking and black smoke coming from the bonnet, with a breakdown recovery service explaining the car would need the engine changing.

Mr M said the warranty wouldn't cover it as he was told he'd missed a service, but didn't receive the warranty paperwork. Mr M complained about the issues with the car. RCI didn't uphold the complaint. It said that as a service was missed, this could contribute to the issues, so were unable to uphold the complaint. Mr M was unhappy with this, and so brought his complaint to this service, where it was passed to one of our investigators. The investigator didn't uphold the complaint. They said that there wasn't enough evidence to show that the vehicle was of unsatisfactory quality when it was supplied, that the issues weren't linked and the components didn't fail prematurely. Mr M disagreed with this, and asked why he was sent a reminder about the service in October when it was missed in August and raised the issue about not receiving the warranty paperwork. The information didn't change the investigators outcome and as such I've been asked to review the complaint to make a 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.

Mr M acquired a car under a hire purchase agreement. Entering into consumer credit contracts like this is a regulated activity, so I'm satisfied we can consider Mr M's complaint about RCI. RCI is also the supplier of the goods under this type of agreement meaning they are responsible for a complaint about the supply of the car and its quality.

The Consumer Rights Act 2015 (CRA) is relevant in this case. It says that under a contract

to supply goods, there is an implied term that “the quality of the goods is satisfactory, fit for purpose and as described”. To be considered as satisfactory, the CRA says the goods need to meet the standard that a reasonable person would consider satisfactory, considering any description of the goods, the price and all the other relevant circumstances.

So, it seems likely that in a case involving a car, the other relevant circumstances a court would consider might include things like the age and mileage at the time of sale and the vehicle’s history. The CRA also explains the durability of goods is part of satisfactory quality.

In this case, Mr M acquired a car that was around six years and nine months old and had travelled around 56,621 miles. As this was a used car with this mileage and age, it’s reasonable to expect parts may already have suffered more wear and tear when compared to a newer car or one that is less travelled. There could be a greater risk this car might need repair and/or maintenance sooner than a car which wasn’t as road-worn.

I’ve reviewed the available evidence about the issues Mr M explained he’s experienced with the car. Based on what I’ve seen, I’m satisfied that there is a fault with the car. I say this because neither RCI nor Mr M dispute the vehicle has a fault that requires engine replacement. I’ve also seen job cards that confirm previous works carried out. Having considered the car had faults, I’ve considered whether it was of satisfactory quality at the time of supply.

Mr M explained he had issues with the vehicle very early on, and I can see that less than two weeks after purchasing the car, Mr M had an O2 sensor replaced after the EML was investigated. The mileage was listed at 56,900 at this point. Around two months later, there is paperwork from another EML investigation in November 2023. It confirms they found a misfire, checked plugs found worn out and corrosion inside coil, required new coil and plugs, replaced parts ok. The mileage is listed here as 57,491.

There is no confirmed faults or issues until another investigation in June 2024, where no electrical fault has been found. The repairer replaces heavily worn brake discs and pads, and notes the engine noise is normal for this manufacturer, but it can be taken to a manufacturer linked dealer for further diagnostic if required. The mileage is recorded as 61,192 at this point.

The next noted evidence then comes in January 2025, following the incident Mr M explained with the loss of power and smoking from the bonnet. This confirms the EML is on and smoke from the bonnet. An Engine misfire is found, a spark plug and valve have been damaged requiring a new engine, it is noted the valve damaged the spark plug. The mileage is listed as having travelled 63,653.

There is no other information available about the issues, such as an independent report confirming the route cause of the issues or whether they were likely to be present or developing at the point of sale.

It also appears as though a service has been missed. The dealership has confirmed this was due in August 2024, however up until January 2025, this hadn’t been carried out when the vehicle failed. This appears to be the reason the warranty claim was declined, as it requires the vehicle to be serviced in line with guidelines. Mr M said he didn’t received the warranty paperwork confirming this. I acknowledge what Mr M has said, however if he was missing the warranty information, he could have asked for this or chased it up from the dealership. I can’t hold RCI responsible for this.

Mr M also raised the question around being sent a service reminder in October, when it had already been missed in August. It is Mr M’s responsibility to ensure the vehicle is serviced as

required, and service reminders can be sent out as a courtesy rather than being required. Having said this, the dealership also explained service reminders were sent in May, June, August, October and November alongside MOT reminders.

Lack of servicing can have a direct impact on the vehicle, its condition and performance, and appears that it may have played a part here. On each occasion the vehicle was inspected, it appears to have related to a wear and tear related item that hasn't failed what I'd consider to be unreasonably early based on the work carried out and the mileage it was carried out at. In the absence of any information showing the faults were present or developing at the point of sale, it follows that I'm not persuaded by the evidence here that the vehicle was of unsatisfactory quality for the reasons I've explained above. I'm persuaded it is more likely that regular wear and tear on a vehicle of this age and mileage was responsible for the documented issues where repairs or replacements were supplied, and that the lack of servicing may well have contributed to the engine failure in January 2025. There isn't anything for me to rely on to say that the engine fault was present or developing at the point of sale.

I acknowledge why Mr M may be unhappy with the vehicle and what's happened, and he may not have expected to have encountered issues with it when he did, as I can see he was in contact with the repairer about booking appointments to have the car seen to, and I don't doubt what he's said in his testimony about the vehicle and its loss of power is true to the best of his knowledge, however I can't see that these made the vehicle of unsatisfactory quality when it was supplied.

My final decision

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 14 October 2025.

Jack Evans
Ombudsman