

The complaint

Mr S complains about the quality of a used car he acquired through a hire purchase agreement with Startline Motor Finance Limited ('Startline'). Mr S says that he has had persistent problems with the car since he acquired it. This has caused him a significant amount of inconvenience, and he would now like to reject the car.

What happened

Our Investigator thought the complaint should be upheld. Startline disagreed with the Investigator's opinion. The complaint was then passed to me.

I issued my provisional decision saying that Mr S' complaint should be upheld, but I thought different compensation was fair. A copy of the background to the complaint and my provisional findings are below in italics and form part of this final decision.

What I said in my provisional decision:

Mr S' complaint is about the quality of a car he acquired in February 2024. The car was used, and it was first registered in March 2016. So, it was about eight years old when Mr S received it. It had covered 93,724 miles.

Mr S acquired the car using a hire purchase agreement that was started in February 2016. The vehicle had a retail price of £13,999. Mr S financed all of this. The agreement was to be repaid through 59 monthly instalments of £357.57 followed by a final repayment of £367.57. If Mr S made repayments in line with the credit agreement, he would need to repay a total of £21,464.20.

Mr S has complained about the quality of the car. Below is a summary of the issues complained about by Mr S and the investigation and repair work that has been carried out by the dealership and some related garages, alongside what has happened in respect of the complaint.

The problems with the car have been very long running and all the parties are aware of the details. So, I'm not going to reproduce all of it here. And I have noted that not everything has been evidenced by job sheets or invoices (or similar). But there is enough to show the problems Mr S had with the car and what has been done about them.

There was a delay in Mr S receiving the car due to it needing a new steering rack and tyres. When Mr S collected the car in February 2024 he says he noticed an unusual engine noise and transmission problems.

In March 2024 the car started to display dashboard warnings relating to the diesel particulate filter ('DPF'). The engine management light ('EML') became active. The car was returned to the dealership, and I understand some work was completed on the sensors. It was returned to Mr S at the end of April 2024, and he was provided with a courtesy car during this time.

The problems recurred in May 2024; the car went back to the dealership and then was returned to Mr S after a few days. But a short time after this the car again had the same problems and was returned to the dealership. Further repairs were made in May and June 2024 but when Mr S went to collect the car in June 2024, it was identified that the car still had DPF problems.

I can see ongoing evidence of DPF and EML problems throughout July to December 2024. Amongst other things I've seen a report that shows the DPF was cracked in November 2024. And there was a related problem with the exhaust gas regeneration system ('EGR'), and some of the car's electrics and wiring. The car was repaired numerous times over this period and Mr S was provided with a courtesy car for most of this time.

Mr S complained to Startline about this in October 2024. Startline considered this complaint, and it upheld it. Its final response issued in December 2024 said that the car was now fully repaired and was ready for collection.

Mr S collected the car in December 2024 but he says an EML was present within four hours of driving and so it was returned to the dealership. The dealership was unable to look at the car until the end of February 2025 and it was determined that it needed a new DPF. There was no agreement at first about how this work would be completed, but I understand the DPF was replaced in April 2025, and the car was returned to Mr S in May 2025. I've not seen that there has been any ongoing problems with the DPF, or any further problems with this part of the engine system.

Mr S says the car has an oil leak that needs to be addressed. Startline has said there was no evidence the oil leak was present at the time of sale.

Mr S hasn't agreed with Startline's consideration of the complaint, and he has brought it to the Financial Ombudsman Service.

Our Investigator upheld Mr S' complaint. She said that it was established that the car wasn't of satisfactory quality as Mr S had problems with it right from the start. But as the car was now repaired, as of April 2025, then Mr S shouldn't be able to reject it. She did think that Mr S should receive compensation on the basis that his use of the car was impaired, and the long running repairs had caused him a significant amount of distress and inconvenience.

Mr S didn't fully agree with the Investigator. He thought the offer of compensation was too low given the amount of inconvenience he had due to the problems he had with the car.

And Startline didn't agree with the Investigator. It said:

- Mr S shouldn't receive back 10% of the amount he paid as he consistently received a courtesy car which he didn't always return in a clean condition. He was kept mobile throughout all this process.*
- The complaint was not made to Startline until October 2024*
- It doesn't dispute that some level of compensation is appropriate, but it thinks what the Investigator recommended isn't proportionate.*
- And the Financial Ombudsman shouldn't investigate issues that Startline isn't involved in, the selling dealer does not act on behalf of, nor does it represent, Startline.*

Because no agreement has been reached, this matter has been passed to me to make a final decision.

What I've provisionally decided – and why

I've considered all the available evidence and arguments to provisionally decide what's fair and reasonable in the circumstances of this complaint.

In considering what is fair and reasonable, I need to have regard to the relevant law and regulations, regulators' rules, guidance and standards, codes of practice and (where appropriate) what I consider was good industry practice at the relevant time.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it to reach what I think is the right outcome.

The agreement in this case is a regulated hire purchase agreement – so we can consider a complaint relating to it. Startline as the supplier of the goods under this type of agreement is responsible for a complaint about their quality.

And I've noted what Startline has said about it not being responsible for the actions of the dealership, or any of the entities that worked on the car. But it is responsible for the quality of the car and so it is responsible for whether the car was repaired, regardless of who worked on the car. And it could have taken steps to rectify this itself at any point by, for example, allowing Mr S to reject the car.

The Consumer Rights Act 2015 ('CRA') is relevant to this complaint. It says that under a contract to supply goods, there is an implied term that 'the quality of the goods is satisfactory'.

To be considered 'satisfactory', the goods would 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 car's history.

The quality of the goods includes their general state and condition and other things like their fitness for purpose, appearance and finish, freedom from minor defects, safety, and durability can be aspects of this.

This car was just under eight years old when Mr S acquired it and it had travelled around 94,000 miles. I think a reasonable person would accept that such a vehicle would probably have some parts that are worn and would need replacing sooner or later – which is reflected in the lower price paid in comparison to a new vehicle.

But there's also a reasonable expectation that a vehicle will be relatively durable - taking into account its age, price and mileage at the outset. So even though the vehicle wasn't new Mr S should have been able to use it for a reasonable period before it needed significant work.

Was there a fault with the car and did this mean it wasn't of satisfactory quality

I think it's established that the car had a fault with some parts of the engine, and particularly the DPF system. I think it's reasonable to say that faults due to this started to happen very early on in Mr S' use of the car, and there may even have been a problem with this part of the car before it was supplied to Mr S. As I've seen an invoice to the dealership that shows the DPF was replaced in 2023. The car undertook a series of repairs to this part of the car which took just over a year to complete.

I don't think there is any significant disagreement that the car wasn't of satisfactory quality, and in saying this I note that Startline has agreed that the car needed these repairs, and it said in response to the opinion that Mr S should receive some compensation, albeit it thought our Investigator had overestimated this. The remaining disagreement centres on how this should have been put right.

Mr S thinks he should be able to reject the car. He says he told the dealership and Startline that he wanted to reject the car as early as May 2024. And I can see that on the complaint form he provided to the Financial Ombudsman in July 2024 he said he wanted to reject the car. I think it's established that he wanted to do this. But both the dealership and Startline have not agreed to this, so Mr S has had little option but to continue to have the car repeatedly repaired.

I've thought about whether he should have a right to reject the car under the CRA. In relation to this Section 24 of the CRA says that:

'A consumer who has the right to a price reduction and the final right to reject may only exercise one (not both), and may only do so in one of these situations - after one repair or one replacement, the goods do not conform to the contract;'

The CRA doesn't say that there is one repair for each issue it's one repair overall. I've not been provided with all the evidence about the repairs, but the car has been repaired at least six times, and probably more. Mr S says he's taken it for repair over 20 times, which may include visits to the

dealership for advice or similar. But what is clear is that the DPF and related faults were evident very early on in the life of the car and were not repaired the first time. The car has had a significant amount of work before the DPF was replaced in April 2025.

When Mr S first took the car to be repaired it didn't conform to the contract as it wasn't of satisfactory quality. When it needed further repairs it still didn't conform to the contract. And this wasn't resolved until over a year later. So, Mr S should be able to reject the car for this reason.

Added to this section 32 of the CRA says that:

'If the consumer requires the trader to repair or replace the goods, the trader must – (a) do so within a reasonable time and without significant inconvenience to the consumer'

It perhaps wasn't unreasonable, in these circumstances, for more repairs to have been attempted. But these should have been done within a reasonable time frame and without significant inconvenience to Mr S. I think it's reasonable to say that it took far too long to repair the car. Mr S took the car for a repair in March 2024, and it wasn't finally repaired until April 2025. This is far longer than what is reasonable, given the amount that Mr S was paying to Startline each month. And is another reason to say the car should be rejected.

So, I don't think it's in question that Mr S does have the right to reject the car. And the finance agreement should be unwound.

I can see that he was able to drive the car around 6,000 miles between the start of the supply and the service made in January 2025. So, he has been able to use it. But the almost constant problems will have impaired his use of the car. Mr S did receive courtesy cars for much of this, but they were a lower specification than the car he bought. I think Startline should refund Mr S 10% for this impaired use of the car between March 2024 and April 2025 when the DPF was replaced. I don't think Mr S should receive more than this as he did purchase an older car and he should have expected it would need some maintenance over time.

Mr S seems to have been very inconvenienced on several occasions by having to take the car back and forth to the garage. He was kept mobile in a courtesy car, but ultimately that wasn't the car he was paying for, and they were often smaller lower specification cars. What's more, it seems his car was, on more than one occasion, with the dealership for extended periods. I can also imagine it would have been very frustrating and stressful for the problems to keep re-occurring as they did and Mr S has said it made him sick with worry. So, I think the £400 suggested by our Investigator for the distress and inconvenience he experienced is fair.

Startline has said that Mr S didn't return the courtesy car in a clean condition. But it's not provided any evidence of this, and Mr S should have been allowed to reject the car in any event. So, I don't think it should change what I've said is reasonable compensation.

And I understand the car has now been repaired, and Mr S had use of it since April 2025. But I don't think this affects that he should have been allowed to reject the car at a much earlier point in time.

Mr S has said that the car now has an oil leak. While I have noted this, it doesn't seem to have formed part of the initial problems Mr S had with the car. And so, I've not fully considered this. As I'm now finding that Mr S should be able to reject the car I'm not planning to do so.

Developments

Startline, and Mr S, received my provisional decision. Mr S agreed with my provisional decision. Startline didn't have anything to add after they'd seen it.

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 S, and Startline, didn't raise any new points after receiving my provisional decision. So, I've reached the same conclusions I reached before, for the same reasons. I still think that the car wasn't of satisfactory quality and that Mr S should now be allowed to reject it for the same reasons I gave earlier. As no party to the complaint raised any further issues, or provided any further evidence, I'm not going to add anything to what I said in my provisional decision.

Putting things right

Having thought about everything above, along with what is fair and reasonable in the circumstances I uphold this complaint and direct Startline to:

- End the finance agreement ensuring Mr S is not liable for monthly rentals after the point of collection (it should refund him any overpayment for these if applicable).
- Take the car back (if that has not been done already) without charging for collection.
- Refund Mr S 10% of his rental payments from March 2024 until April 2025 to cover any loss of use of the car because of the inherent quality issues.
- Pay 8% simple yearly interest on all refunded amounts from the date of payment until the date of settlement.
- Pay Mr S £400 distress and inconvenience caused by the car's quality issues.

If Startline considers that it's required by HM Revenue & Customs to withhold income tax from the interest part of my award, it should tell Mr S how much it's taken off. It should also give Mr S a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

My final decision

For the reasons I've explained, I uphold Mr S' complaint.

Startline Motor Finance Limited should put things right by doing what I've said above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 22 December 2025.

Andy Burlinson
Ombudsman