

The complaint

Mrs D complains that a used car she acquired through a hire purchase agreement financed by Blue Motor Finance Ltd ('Blue Motor') is of unsatisfactory quality.

Mrs D is bringing the complaint with the help of her husband, Mr D. For ease of reading, I'll refer solely to Mrs D throughout this decision.

What happened

In July 2024, Mrs D took out a hire purchase agreement to cover the cost of a used car. The car was around twelve years old, and according to MOT records it had around 55,334 miles on the odometer. The cash price of the car was £9,500. Mrs D made an advance payment of £1,000. She entered into a hire purchase agreement to finance the remaining £8,500. After interest and charges the total amount due was £12,504.20, repayable in 47 monthly instalments of £239.65 and one payment of £240.65.

The car broke down on 23 December 2024. It was recovered to a garage where it was inspected. The garage thought it was a gearbox issue, and the car was taken to a garage specialising in gearboxes. I'll refer to that garage as 'V' going forward. V said the flywheel had failed, causing damage to the casings of both the engine and the transmission, the starter motor and the convertor. V estimated that repairs would cost around £4,500 but cautioned that further investigation was needed to establish exactly which parts needed to be replaced.

In January 2025 Mrs D complained to Blue Motor. She said the car had been advertised with a full-service history and an AA vehicle inspection. Mrs D set out the damage to the car and said that because there was a problem with the car when she acquired it Blue Motor should give her a full refund. Mrs D said Blue Motor had made their mind up about her complaint without investigating it in full, because they advised her that the damage was due to wear and tear and so she had no recourse. And Mrs D said that the dealership she bought the car from ("C") had taken the car from V's premises without consent. She was concerned that the car might have been tampered with before Blue Motor could inspect it.

Blue Motor instructed an independent expert ("E") to inspect the car. E's report said the car's damage was due to the initial fatigue of the flex plate mounting points resulting in displacement and subsequent further damage. The report concluded that defect wouldn't have been present or developing at the point of supply. Blue Motor didn't uphold Mrs D's complaint based on the report's findings. They added that C didn't realise an inspection had been booked and returned the car immediately when they found out.

Unhappy with the outcome Mrs D contacted our service for help. One of our investigators looked into what had happened. He said it was clear there was a fault with the car. But he concluded that there wasn't enough evidence to say the car was of unsatisfactory quality at the point of supply. He was satisfied that C collected the car in error.

Mrs D didn't agree. In summary, she said the investigator relied on a report despite its validity being compromised. She said a reasonable person wouldn't expect the car to last

only five months of infrequent use before suffering catastrophic damage. Mrs D added that Blue Motor relied on 'fair wear and tear' when rejecting the complaint but also said that she must repair the car before she can voluntarily terminate the agreement, because the damage isn't 'fair wear and tear'. Our investigator considered what Mrs D said, but it didn't change his view of the complaint. Mrs D asked for an ombudsman to consider the complaint – and so it's come to me.

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 considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I'm not upholding Mrs D's complaint. I'll explain why.

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 – Blue Motor here – needed to make sure the goods were 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 other things, to include the car's age, price, mileage, description and durability.

In this case, Mrs D acquired a used car that cost £9,500. It was around twelve years old and had around 55,334 miles on the odometer. I think that a reasonable person would expect a car of that age and mileage to have significantly more wear and tear than a new car. And that it would require more maintenance and potentially costly repairs much sooner than a newer, less road worn car.

It's not in dispute that the car Mrs D acquired is now faulty. What I need to determine is whether the car was of satisfactory quality at the time it was supplied to Mrs D. I've been provided with a copy of E's report as well as an email and a diagnostics invoice from V. Both speak to the condition of the car after it broke down in December 2024, so I'll summarise them below.

Following the breakdown the car was taken to V for a thorough inspection. V's diagnostic evaluation said they removed the gearbox to assess the cause of the failure. They found the flywheel to have failed, breaking into two pieces and seizing solid into the bellhousing. This in turn caused damage around the engine, blowing a hole through the transmission casing. V observed internal damage to the gearbox, to the convertor, and to various other parts. In an email to Mrs D dated 13 January 2025 V said that the engine appeared to turn over without issues and the surface damage shouldn't cause any problems when the transmission is refitted. V gave a rough estimate of £4,500 for repairs but said that further investigation was required.

E inspected the car on 24 January 2025. They noted that:

- The odometer showed 59,138 miles.
- The car was in an average condition for its age and reported mileage.
- A box of components that had been removed from the car was in the back of the car; upon examination of the components the physical transmission was complete.
- There was no evidence of external impact damage or excessive fluid loss or contamination.

- There was a hole in the bellhousing consistent with having occurred due to internal damage. There was extensive swarf dust and debris circulation consistent with debris from the bellhousing having been milled due to debris circulation while in use.
- The flex plate had broken up into multiple pieces, and there was extensive tooth damage consistent with abnormal contact and impact.
- The input shaft for the transmission displayed no excessive play or movement.
- The torque converter was complete, but it looked like the central spine had shifted position.
- The mounting bolts had sheared within the torque converter.
- The starter motor casing was extensively milled and damaged from contact with the flex plate, along with damage to the Bendix teeth.
- The engineer couldn't start the car or carry out comprehensive diagnostic testing due to the car being dismantled.

The report said there was no evidence of any external impact damage which would have resulted in the car's condition. It went on to say that, taking into consideration the time and mileage covered since the car was supplied, the fault wouldn't have been developing at that point. The expert concluded that:

We can conclude that the vehicle is displaying extensive damage to the transmission, starter motor, torque converter and flex plate. It is considered that this is due to the initial fatigue of the flex plate mounting points, resulting in displacement and subsequent further damage. The defect would not have been developing at inception.

So, V and E reached broadly the same conclusion about the damage caused to the car, although one refers to the flywheel, and the other to the flex plate, when describing the component that broke and caused the damage. While they have similarities, they're different components. Flex plates are usually used in cars with torque converters, such as the car Mrs D acquired. That being the case, I'll refer to the flex plate going forward.

V didn't offer an opinion as to whether the fault was present or developing when Mrs D acquired the car. E said the mileage Mrs D was able to cover before the fault occurred meant that it can't have been present or developing at the point of supply. While I appreciate Mrs D doesn't agree with E's report and questions its validity (which I'll address further below), I'm satisfied it's independent and E's expert was suitably qualified to make a finding on the car's condition. The report includes the expert's duty to the court and a statement of truth. For that reason, I think I can put substantial weight on E's findings.

I can understand Mrs D was upset when the car she'd acquired less than six months earlier broke down and her frustration at being told it needs significant work. She said the car was advertised as having a full service history and an AA inspection. But I don't think it follows that the car wasn't of satisfactory quality. This was a used car that was around twelve years old and had over 55,300 miles on the clock when it was supplied. E noted the mileage as at the date of their inspect as 59,138. So, Mrs D had covered over 3,800 miles since she acquired the car.

Inevitably this will have caused further wear and tear to the car's components. I think it's important here to say that a standard car service wouldn't typically involve an inspection of the flex plate. This is because of its location inside the transition bellhousing. So, unless there was a specific reason to do so, such as symptoms of a problem, a service wouldn't examine the flex plate. From what I've seen Mrs D didn't experience any problems until the car broke down. For that reason, I think that it's more likely that the flex plate deteriorated after the car was supplied to Mrs D, to the point that it broke.

Had there been an underlying defect at the time the car was supplied, I consider it more likely than not that the car would have failed much sooner than it did and Mrs D would not have been able to drive the car for approximate 3,800 miles before it failed. And given the car's age and overall mileage, I don't consider that it's failure means the failed components were not sufficiently durable. So, having carefully considered everything I'm not persuaded the car supplied to Mrs D was of unsatisfactory quality.

Mrs D said the validity of V's report was compromised because C removed the car from V's premises before the report. She said Blue Motor hadn't answered her questions about what happened. I can see that Blue Motor explained in the final response letter that C made a mistake when they collected the car, because they thought they needed to inspect it. Blue Motor's internal contact notes show that they spoke to the broker who arranged the finance on 4 February 2025. The broker said C made a mistake – they didn't know an inspection had been booked. They added that the car was returned to V the same day. While I understand that Mrs D would like to understand in more detail why C thought they needed to collect the car, I'm satisfied that she's been given a reasonable explanation as to what happened.

Mrs D is concerned that the car may have been tampered with after C collected it. E's report said the car had been dismantled. There doesn't appear to be a dispute that this was done by V when they carried out an inspection. E looked at the car parts and said the transmission was complete. And comparing the photos V took before the inspection to the photos in E's report don't lead me to think that the parts were tampered with.

Mrs D said Blue Motor made up their mind about her complaint before investigating it, because they called her within two hours to say that the damage was due to wear and tear. While I haven't been able to listen to a recording of the call, Blue Motor sent us their internal contact notes. They include comprehensive summaries of the calls between them and Mrs D (and Mr D on her behalf). The call Mrs D is referring to took place on 8 January 2025.

Mrs D told Blue Motor that the automatic gearbox had shredded, and that she wasn't aware of any additional damage. Blue Motor's agent explained that the gearbox is considered a wear and tear item and so they couldn't help. They added that if mechanical faults came to light, they'd arrange for an inspection to determine liability. So, I don't agree that Blue Motor had made up their mind about the outcome. Instead, it seems they sought to manage Mrs D's expectations while keeping an open mind. I don't think this was unreasonable.

Finally, Mrs D said Blue Motor are contradicting themselves. On the one hand, they rejected her complaint because they said the damage was caused by 'fair wear and tear'. On the other hand, they're expecting her to fix the car before she can voluntarily terminate the agreement, because the damage isn't 'fair wear and tear'.

Blue Motor used the phrase 'wear and tear' when explaining why they wouldn't look to assist Mrs D if the fault was found to be relating to the gearbox. I think it's more helpful here to look at the provisions of the CRA. This is because the CRA sets out the circumstances in which Mrs D is entitled to a remedy. For example, while a gearbox may be a serviceable item, it doesn't follow that the consumer isn't entitled to a remedy if the gearbox develops a fault. Satisfactory quality contains a requirement for the goods to be durable. So, if a gearbox failed prematurely this may entitle the consumer to a remedy from the trader.

Here, the fault wasn't with the gearbox, but with the flex plate. I've set out above that I'm satisfied there was no underlying defect at the point of supply, and the car was sufficiently durable. This means the car was of satisfactory quality when it was supplied and so Mrs D isn't entitled to a remedy under the CRA.

Voluntary termination is a right under the CRA. It allows consumers to end a finance agreement early in specific circumstances. Broadly speaking, for consumers to be able to exercise their right to voluntarily terminate, they will be required to pay half of the total amount repayable under the agreement. And the car shouldn't have excessive wear and tear or damage.

The terms of the agreement say:

You must keep the Vehicle in good working order and condition at your expense and you must have the Vehicle serviced in accordance with the manufacturer's recommendations and any applicable warranty. You are responsible for all loss of, or damage to, the Vehicle even if caused by events beyond your control. However, you are not responsible for any accepted reduction in the value of the Vehicle where this reduction is as a result of fair wear and tear in normal usage.

The damage to the car is mechanical rather than wear and tear. This means that Mrs D is required to either repair the car or face further costs if she returns the car to Blue Motor in its current condition.

I understand that Mrs D finds herself in a difficult position, and so I appreciate my decision will come as disappointing news. But based on what I've seen, and for the reasons I've set out above, I'm satisfied the car was of a satisfactory quality when it was supplied to her. Blue Motor took reasonable steps to investigate Mrs D's concerns and could reasonably rely on E's report.

My final decision

For the reason given, I don't uphold Mrs D's complaint against Blue Motor Finance Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs D to accept or reject my decision before 29 October 2025.

Anja Gill
Ombudsman