

The complaint

Miss V complains that Zopa Bank Limited supplied her with a car that wasn't of satisfactory quality under a hire purchase agreement.

What happened

In December 2024, Miss V acquired a used car with a hire purchase agreement from Zopa. The car was around 8 years old and travelled around 79,000 miles. The cash price of the car was £9,599. Miss V was required to pay 48 monthly repayments of £253.70.

In April 2024, Miss V says the car's engine management light illuminated and the car was unable to be driven. She says the car needed to be recovered to her house. Miss V arranged for an inspection of the car which revealed that the turbo had failed. She then approached the supplying dealership for a repair, but it would only agree to cover part of the cost.

Miss V then reached out to Zopa to seek payment for the repairs. Zopa instructed an independent inspection of the car. The inspection found that the turbo was faulty but concluded that this wasn't something that was likely to be present or developing at the point of supply. It said this was down to expected age related wear and tear and therefore not something Zopa would be liable for. It also noted that the timing chain was showing some signs of wear, and the DPF may also require replacement. However, it didn't consider these issues had been present or developing at point of supply either.

Miss V provided comments from her own independent inspection which she said demonstrated why the report commissioned by Zopa was unreliable. Zopa didn't agree with Miss V and provided her a final response to her complaint explaining why it wouldn't cover the cost of repairs.

Miss V referred her complaint to this service and also paid a turbo specialist to dismantle the turbo to be able to diagnose the cause of it failing. The specialist said that the fault had occurred because the car (and specifically the oil) had not been appropriately serviced for a long time. This lack of appropriate servicing had caused the turbo to wear and fail quicker than it would otherwise have done.

I sent Miss V and Zopa my provisional decision on 8 August 2025. I explained why I wasn't planning to uphold the complaint. I said:

Miss V acquired the car under a hire purchase agreement and our service is able to consider complaints relating to these sorts of regulated consumer credit agreements. The Consumer Rights Act 2015 ("CRA") covers agreements like the one Miss V entered into.

The CRA implies terms into the agreement that the goods that are supplied (in this case, the car) are of satisfactory quality. Zopa is the 'trader' for the purposes of the CRA and is responsible for dealing with a complaint about the quality of the car that it supplied.

The CRA says that the quality of the goods is satisfactory if they meet the standard a reasonable person would consider satisfactory, taking into account the description of the goods, the price and all other relevant circumstances. I consider some of the other relevant circumstances here to be the age and mileage of the car at the point of supply.

The car was supplied used, it was around 8 years old and had travelled around 79,000 miles. It had a cash price of £9,599. As far as its description was concerned, I've reviewed a copy of the advert text for the car prior to Miss V acquiring it, which stated that the car had a "part service history". What would therefore be considered satisfactory would be considerably different had the car been brand new, cost more and/or had a full service history.

It isn't disputed that the turbo is faulty and requires replacement. It appears that the timing chain and DPF are also showing early signs of wear and may require replacement soon. I'm therefore satisfied the car isn't fault free.

Miss V's representative has provided a detailed response as to why he considers that Miss V is entitled to a remedy under the CRA. However, I don't agree that to be the correct analysis of the available facts.

Before I detail my reasoning concerning the quality of the car, I'll address the point made by the representative regarding the terms of the hire purchase agreement. These don't mean, contrary to what he appears to be trying to suggest, that Miss V would be responsible for the service history of the car prior to her acquisition of it.

Instead, it simply states Miss V needs to service it from that point forward in line with the manufacturer's guidelines. If she was unsure as to the next correct servicing interval she could have sought clarification from the supply dealership, the manufacturer, or another manufacturer approved garage. The fact the car had not been serviced in line with the manufacturer's guidelines prior to her acquisition of it did not create a breach of contract.

I'll now deal with the quality issues. I accept the findings of the turbo specialist that dismantled the turbo. The video of his inspection and explanation as to the cause of the failure is persuasive. I am therefore satisfied that the turbo has failed prematurely due to a history of a lack of servicing and oil changes at the required intervals. However, this does not automatically mean the car was of unsatisfactory quality when it was supplied to Miss V.

As I've already highlighted, the goods are of satisfactory quality if it meets the standard a reasonable person would expect taking into account all the relevant circumstances. Miss V acquired a car that she knew did not have a full service history. This fact was not hidden from her – it was in the advert. Further, Miss V has supplied us with a copy of the service history, so this was presumably always available to her before purchase if she had been concerned about it or specifically requested to see it.

The car had not been serviced for over 50,000 miles prior to Miss V acquiring it. On that basis I consider a reasonable person would expect it far more likely for components in the car to be susceptible to failure far sooner than if it had been serviced on time and in line with the manufacturer's recommendations. In other words, parts, like the turbo, could reasonably fail far sooner than would be expected on average for a car that had been maintained well.

While Miss V's representative has argued that the timing chain and turbo have failed prematurely, any typical or expected lifespans are based on the car being maintained to the manufacturer's guidelines. Clearly, if the car is not looked after appropriately, parts are likely to fail much sooner. As Miss V was told about the incomplete service history and it was seemingly made available to her to review prior to acquiring the car, I can't reasonably conclude that the car was of unsatisfactory quality when it was supplied. There was a gap in servicing in excess of 50,000 miles, this ought reasonably to have created an expectation that parts might require replacing much sooner, especially as the car had already travelled nearly 80,000 miles in total.

Miss V was able to cover around 5,000 miles in the car before it stopped working and the turbo failed. Clearly, the car was still functioning correctly when she acquired it. Given the specific circumstances here – the age, description, mileage, price and the car's service history (which I don't consider to have been misrepresented), I don't find it unreasonable that the turbo requires replacing now or that it was likely already somewhat worn when she acquired it. This is because it seems to me that would be reasonably expected in these specific circumstances. I accept it's very unfortunate that Miss V will now incur a costly repair, but I'm not persuaded the car was of unsatisfactory quality when it was supplied. I therefore don't think Zopa needs to do anything to put things right.

Zopa didn't respond to my provisional decision. Miss V didn't agree with it and provided further comments from her representative explaining why he, on behalf of Miss V, disagreed with my conclusions. In summary, he said:

- The conclusion I reached was unsustainable because there were no facts to support some of the assumptions made in the provisional decision.
- There is no evidence to show that Miss V was shown the service history prior to purchase. There is also no evidence to show she was made aware of the manufacturer's recommended service intervals.
- Miss V did not know that engine oil had a shelf life and useful life expectancy or what effect a lack of servicing might have on the car's components and which components might be affected.
- A reasonable person would not know (nor did Miss V) that the turbo charger relied on engine oil for lubrication and did not know engine oil degrades over time. There is therefore no basis to state she was on notice of the imminent failure of the turbo and/or the need to replace the timing chain and DPF.
- As the dealer did not disclose these material facts to Miss V, it has misrepresented the car to her. Miss V was given the false impression that the car would be reasonably durable.
- It is impossible for Miss V to service the car in line with the manufacturer's guidelines as required under the hire purchase agreement.

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.

Having considered Miss V's further comments (via her representative), I've reached the same overall conclusion I reached in my provisional decision, and for largely the same

reasons. However, I'll address the additional key points Miss V's representative has made and explain why they don't change what I consider to be a fair and reasonable outcome.

I don't accept or agree with the representative's assertion that it is impossible for Miss V to comply with the terms of the hire purchase agreement in relation to servicing the car. I remain of the view that the terms state Miss V is required to service the car in line with the manufacturer's service intervals from the point she takes possession of it and that this was possible. Miss V would have needed to enquire as to the service intervals from that point forward and ensure the car was serviced in line with those intervals.

The terms do not impose any expectation on her to have ensured it was serviced correctly prior to her taking possession of it, nor am I persuaded they state or imply that contractually Zopa expected the car to have been fully serviced prior to the contract being signed, or that this was some kind of undertaking as to the expected durability of the car.

I turn now to the quality of the car. As I've said in my provisional decision, and as Miss V's representative has also highlighted in his response to me, satisfactory quality includes any description of the goods and all other relevant circumstances. I think some of the relevant circumstances here, include the mileage (which was around 79,000), the service history (which was disclosed as only a part service history), and the fact that it had been over 50,000 miles since the last service.

I think all of these factors mean that a reasonable person ought to expect it be far more likely for components to be worn and nearing the end of their life and requiring replacement. While I don't dispute that Miss V, or a 'reasonable person' might not understand the specifics of engine oil, turbos, timing chains and DPFs, I do think they ought to know that a car that has been regularly serviced and maintained is far more likely to be in a significantly better condition to one that hasn't been. Therefore, what is considered satisfactory, will also be significantly different between a car that has been regularly serviced and maintained, compared to one that hasn't, and especially one that has travelled nearly 80,000 miles with no service in the previous 50,000 miles. These are significant and material circumstances in this case, which were not hidden from Miss V prior to her acquiring the car.

While I accept the turbo was already worn due to poor maintenance prior to Miss V taking possession of the car, I don't consider this to have made the car of unsatisfactory quality when it was supplied, when taking into consideration the price, mileage and other relevant circumstances. I think it was reasonable to expect parts of the car to be more worn than on a car that had been serviced correctly. Further, I think it was reasonable to expect parts to require replacement far sooner.

I don't think this means Miss V needed to know about the turbo or timing chain specifically, only that I think the circumstances here ought to have created a reasonable expectation concerning the quality and durability of the car for Miss V that it was likely she would incur repair/maintenance costs sooner.

As I stated in my provisional decision, the car travelled around 5,000 miles before the turbo failed. This demonstrates that although the turbo may have been worn before and would inevitably require replacement at some point, it was still functioning when Miss V took possession of it. All parts will wear over time and require replacement. The issue here is that the turbo required replacement sooner than if the car had been maintained and serviced more regularly. But as Miss V was aware of the service history, I don't think this means the timing of the replacement made the car of unsatisfactory quality when it was supplied, because it could be reasonably expected, taking into account all the relevant circumstances.

Miss V's representative has argued that the car was misrepresented by the dealer and/or

Zopa because they did not disclose the turbo and timing chain might fail soon. However, I don't think the dealer could reasonably have known the condition of the turbo or timing chain. The turbo had to be dismantled to establish what caused the failure. This isn't something I would have reasonably expected the dealer to do prior to selling the car, especially as the turbo appeared to be functioning correctly at the time.

While I can appreciate it might have been helpful for the dealer to tell Miss V that it was possible that some parts might require replacing sooner on a car with a partial service history, it not doing so I don't consider to be a misrepresentation. This is because I'm satisfied, as I've already explained, that this is something I would consider a reasonable person ought to have already expected when buying a used car in these circumstances.

I can appreciate that Miss V is disappointed that she now has to pay for repairs to the car. However, I'm not persuaded these repairs are due to the car being of unsatisfactory quality when it was supplied. This is because I think they are as a result of expected in service wear and tear, taking into account all the relevant circumstances in this specific case. I therefore don't think Zopa needs to do anything to put things right.

My final decision

For the reasons given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss V to accept or reject my decision before 6 October 2025.

Tero Hiltunen
Ombudsman