

The complaint

Mr Z is unhappy that a car supplied to him under a hire purchase agreement with Tandem Motor Finance Ltd was of an unsatisfactory quality.

What happened

In August 2024, Mr Z was supplied with a used car through a hire purchase agreement with Tandem. The agreement was for £4,490 over 48 months; with 47 monthly payments of £127.97 and a final payment of £137.97. At the time of supply, the car was around 11 years old and had done 115,413 miles (according to the MOT record for 28 August 2024).

The car broke down on 13 October 2024 and was recovered to the supplying dealership. At the time of the breakdown, Mr Z had done around 6,000 miles in the car. The supplying dealership diagnosed a failed timing chain that had caused the engine to seize. They said the full cost of the repair wouldn't be covered by the warranty, and Mr Z would need to contribute towards these repairs.

Unhappy with this, Mr Z complained to Tandem. They didn't uphold the complaint and said the timing chain had failed due to normal in-service wear and tear. However, they acknowledged they could've dealt with the complaint quicker, and paid Mr Z £200 compensation for these delays. Still unhappy, Mr Z brought the matter to the Financial Ombudsman Service for investigation.

Our investigator initially didn't think the car would be able to travel 6,000 miles if there were faults that were present or developing at the point of supply. And they thought the timing chain had failed at a point where failure could be reasonably expected. So, they didn't think Tandem needed to do anything more.

Mr Z didn't agree with the investigator's opinion, providing extensive comments as to why. Essentially, Mr Z argued that:

- The car was advertised as having a full service history, and he'd had another service carried out on the car between supply and breakdown.
- The timing chain would reasonably be expected to last the lifespan of the engine, so it had failed sooner than could reasonably be expected.
- The failure occurred within the first six months, so the burden of proof to show that the car was of a satisfactory quality lies with Tandem – it's not for him to prove the car wasn't of a satisfactory quality.
- Neither Tandem nor the dealership have provided copies of the diagnostic or investigation reports carried out, including the independent engineer's report.
- The mileage he'd travelled in the car was irrelevant

Mr Z also provided an email from the manufacturer, dated 26 August 2025. This confirmed that *"your vehicle is equipped with a lifetime timing chain. As part of routine maintenance, we recommend the timing chain is inspected every 15 years or 180,000 miles, whichever comes first."*

Based on this additional information, the investigator issued a revised view. They felt the timing chain had failed before it could be reasonably expected to and this made the car not of a satisfactory quality when it was supplied to Mr Z, as it wasn't sufficiently durable. So, they thought that Mr Z should now be allowed to reject the car, with a refund of all the payments he'd made since the timing chain failed. The investigator also said that Tandem should pay Mr Z an additional £250 for the distress and inconvenience he'd been caused.

Whilst Mr Z agreed with this revised opinion, Tandem didn't. They said that, because Mr Z had travelled 6,000 miles in the car in two months, this *"can only put huge amounts of pressure and wear on the vehicle. We believe that this wear wouldn't reflect a durability issue due to the vast number of miles actually being driven and would instead be excessive miles which has caused the fault presented."*

Given that Tandem didn't agree, this matter has been passed to me to decide.

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 done so, I've reached the same overall conclusions as the investigator, and for broadly the same reasons. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome. Where evidence has been incomplete or contradictory, I've reached my view on the balance of probabilities – what I think is most likely to have happened given the available evidence and wider circumstances.

In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and (if appropriate) what I consider was good industry practice at the time. Mr Z was supplied with a car under a hire purchase agreement. This is a regulated consumer credit agreement which means we're able to investigate complaints about it.

The Consumer Rights Act 2015 ('CRA') says, amongst other things, that the car should've been of a satisfactory quality when supplied. And if it wasn't, as the supplier of goods, Tandem are responsible. What's satisfactory is determined by things such as what a reasonable person would consider satisfactory given the price, description, and other relevant circumstances. In a case like this, this would include things like the age and mileage at the time of sale, and the vehicle's history and its durability. Durability means that the components of the car must last a reasonable amount of time.

The CRA also implies that goods must conform to contract within the first six months. So, where a fault is identified within the first six months, it's assumed the fault was present when the car was supplied, unless Tandem can show otherwise. So, if I thought the car was faulty when Mr Z took possession of it, or that the car wasn't sufficiently durable, and this made the car not of a satisfactory quality, it'd be fair and reasonable to ask Tandem to put this right.

I've seen emails from the supplying dealership that confirms the timing chain failed – in an email dated 27 November 2024 they said they *"suspect a skipped tooth on the timing chain leading to a bent valve"*, and in an email dated 9 December 2024 they said, *"the engine is ceased and the timing chain looks to have skipped."* At this point the dealership said a new engine would cost £2,750, and Mr Z would need to pay £1,750 towards the cost.

In an email dated 7 January 2025, the dealership advised Mr Z they were arranging for the car to be inspected by an independent engineer *"to prove that, given the unconventional amount of mileage you have covered since taking delivery, the fault could not have been"*

there at point of sale.” However, when this inspection had taken place, the dealership advised Mr Z that the engineer was “*incompetent*” and that they refused to pay for a further inspection to be carried out.

I’ve also noted that, when Mr Z raised the CRA, the dealership advised him that “*acts and laws deviate in line with age and mileage.*” This is incorrect. As I’ve said above, the CRA clearly implies that, if a fault occurs within the first six months, as was the case here, then it is assumed to be present when the car was supplied, unless proven otherwise.

The dealership has had the car inspected by an independent engineer, but a copy of this report hasn’t been provided. Given the dealership’s comments about the engineer, the need for a second report which they weren’t prepared to pay for, and their refusal to provide a copy of the report that has been done; I can only assume that this report didn’t find what the dealership wanted i.e. it didn’t find that the car was of a satisfactory quality when it was supplied to Mr Z, and it didn’t say that the timing chain had only failed because Mr Z had done an ‘extraordinary’ mileage in the few weeks he’d had the car.

Tandem are aware of their obligations under the CRA, and they haven’t provided a copy of the inspection that has taken place, nor have they arranged for the car to be inspected by another engineer. Instead, they’ve also said that the only explanation for the failed timing chain is the extreme wear to the car caused by the mileage done by Mr Z.

While I accept that Mr Z had done an average of around 1,000 miles a week in the few weeks he had possession of the car, he also explained that the timing chain failed following him taking the car on holiday in Europe. What’s more, the agreement doesn’t limit the mileage Mr Z was able to do. So, when looking at things as a whole, I don’t consider the mileage to be an over-riding factor.

The manufacturer has confirmed that the timing chain should be expected to last 180,000 miles or 15-years, and it failed well before either of these milestones was reached. The service history shows the car was serviced every year and around every 10,000 to 12,000 miles, which would rule out poor maintenance as the reasons for the timing chain failure. Given this, and that Tandem haven’t been able to show anything to support the car being of a satisfactory quality when it was supplied, I’m satisfied that the timing chain failed prematurely due to a lack of durability, and this makes the car not of a satisfactory quality.

Therefore, Tandem should now do something to put things right.

Putting things right

Section 24(5) of the CRA gives Tandem what is known as the single chance of repair – they have the right to attempt to repair the car before Mr Z is allowed to reject it. However, section 23(2) of the CRA states 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.*” In this instance, given the time that has passed since the car broke down, and that Tandem have taken no action to have the car inspected to confirm why the timing chain failed, it’s arguable they have failed to comply with Section 23(2)(a) of the CRA. And, in these circumstances, Mr Z should be able to reject the car.

The car has been off the road and undrivable since 13 October 2024. Since this date, Mr Z hasn’t been supplied with a courtesy car. So, he’s been paying for goods he’s been unable to use. As, for the reasons already stated, I’m satisfied the car was off the road due to it being of an unsatisfactory quality when it was supplied, and as Tandem failed to keep Mr Z mobile; I’m satisfied they should refund the payments he made during this period.

I also think Mr Z should be compensated for the distress and inconvenience he's been caused. But crucially, this compensation must be fair and reasonable to both parties, falling in line with our service's approach to awards of this nature, which is set out clearly on our website and so, is publicly available.

While Tandem have already paid Mr Z £200, this was for their failure in dealing with the complaint in a timely manner, and not for any other reason. Our investigator recommended Tandem pay Mr Z an additional £250 to recognise the distress and inconvenience they've been caused by the complaint. And having considered this recommendation, I think it's a fair one that falls in line with our service's approach and what I would've directed, had it not already been put forward. So, this is a payment I'm directing Tandem to make

Therefore, Tandem should:

- end the agreement, ensuring Mr Z is not liable for any monthly payments after the point of collection (if any payments are made, these should be refunded);
- collect the car at no collection or storage cost to Mr Z;
- remove any adverse entries relating to this agreement from Mr Z's credit file;
- refund the payments Mr Z has made between 13 October 2024 and when the agreement is ended;
- apply 8% simple yearly interest on the refunds, calculated from the date Mr Z made the payments to the date of the refund[†]; and
- pay Mr Z an additional £250 to compensate him for the trouble and inconvenience caused by being supplied with a car that wasn't of a satisfactory quality (Tandem must pay this compensation within 28 days of the date on which we tell them Mr Z accepts my final decision. If they pay later than this date, Tandem must also pay 8% simple yearly interest on the compensation from the deadline date for settlement to the date of payment[†]).

[†]If HM Revenue & Customs requires Tandem to take off tax from this interest, Tandem must give Mr Z a certificate showing how much tax they've taken off if he asks for one.

My final decision

For the reasons explained, I uphold Mr Z's complaint about Tandem Motor Finance Ltd. And they are to follow my directions above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr Z to accept or reject my decision before 18 February 2026.

Andrew Burford
Ombudsman