

The complaint

Mr M is unhappy that a car supplied to him under a hire purchase agreement with MI Vehicle Finance Limited ('MI') was of an unsatisfactory quality.

What happened

In August 2023, Mr M was supplied with a used car through a hire purchase agreement with MI. He paid an advance payment of £556.69 and the agreement was for £24,228.31 over 60 months; with 59 monthly payments of £548.17 and a final payment of £549.17. At the time of supply, the car was around three and a half years old and had done 5,854 miles (according to the MOT record for 21 August 2023).

On 30 July 2024, Mr M was involved in a non-fault road traffic accident, during which damage was done to the nearside rear door. This exposed previous damage to the car in the same area. Mr M's insurers refused to repair the car, and this has already been the subject of a complaint to this service, which has now been resolved.

Mr M complained to MI that the previous damage wasn't disclosed to him upon supply, and he considers that he wouldn't have taken the car had he known about the damage, and that he overpaid for the car as a result.

MI arranged for the car to be inspected by an independent engineer. This inspection took place on 24 April 2025 when the car had done 22,762 miles. The engineer confirmed that the nearside rear door had been damaged in a previous accident, and that the repairs had been carried out to a satisfactory standard. The engineer also confirmed that the car suffered no structural damage, and that repairs of this nature were common in a vehicle of that age and mileage. The engineer also said that this previous repair work was not visible to the naked eye.

Based on this report, MI didn't uphold Mr M's complaint. So, he brought the matter to the Financial Ombudsman Service for investigation.

Our investigator didn't think the car was of an unsatisfactory quality when it was supplied to Mr M, and they didn't think the sale had been misrepresented. The investigator also thought the price Mr M paid for the car was fair and reasonable given the age and mileage, and that he hadn't overpaid for the car.

Mr M didn't agree with the investigator's opinion, providing extensive comments as to why. These included, and are not limited to:

1. the repairs to the previous damage were of a poor quality, which is indicative of significant prior damage, and the car will cost in the region of £8,000 to £10,000 to repair;
2. the car wasn't fit for purpose when it was supplied, and its condition had been misrepresented to him;
3. the independent engineer's report wasn't satisfactory and therefore cannot be relied upon;

4. it was unreasonable to have expected him to identify the previous damage during the handover, and he's now expected to bear the costs of repair;
5. the car's value has been reduced by thousands of pounds and is now partially uninsurable.

Mr M's comments didn't change the investigator's opinion, and 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 M 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, MI 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.

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 MI can show otherwise. So, if I thought the car was faulty when Mr M took possession of it, and this made the car not of a satisfactory quality, it'd be fair and reasonable to ask MI to put this right.

It's not disputed that the car supplied to Mr M had been involved in a previous accident and the nearside rear door had been repaired. While the adjoining panels were resprayed to ensure a colour match, there is no evidence that the previous damage extended past the nearside rear door. The rear bumper cover had also been repainted at some point in the past, but it's unsure if this related to the same incident that resulted in damage to the nearside rear door.

The insurance report provided by Mr M, dated 10 September 2024, relates to a substantial amount of work. While this included the renewal of the nearside rear door, it also included the renewal of the nearside front door, the repair of the nearside front wheelhouse cover, the repair and adjustment of the headlamps, the repair of the nearside front wheel, and repainting of the majority of the nearside of the car. The assessor has said that the car had "*very poor previous repairs.*" On the basis of this report, Mr M's insurers declined his claim.

The insurer's report is at odds with the independent engineer's report, which states there was limited damage to the nearside rear door only, which wasn't structural, and had been repaired to an acceptable standard. Unlike the insurer's report, which had been produced for

the insurer, the independent engineer has confirmed that their duty is to the courts, not to the person who instructed or paid for the report.

As such, I'm satisfied the independent engineer's report is reasonable to rely upon. And, as the car was repaired to an acceptable standard, the previous accident damage doesn't make the car of an unsatisfactory quality when it was supplied.

Mr M has said that he's been quoted in the region of £8,000 to £10,000 to repair the car. While I've not seen copies of any quotes, I have no reason not to accept this. However, I would note that this is most likely based on the work the insurer's report said needed to be carried out, which extends over a substantially greater area of the car than the previous accident damage.

As such, the need, for example, to replace the nearside front door cannot be linked to previous damage to the nearside rear door, where there is no evidence that the nearside front door suffered any previous accident damage. So, it's not reasonable to say the car needs £8,000 to £10,000 worth of work specifically and entirely because of the previous accident damage – it's clear from the insurer's report that the July 2024 accident has caused damage over a wider area than the previous accident did.

In considering this complaint, I've also taken into consideration section 56 of the Consumer Credit Act 1974. This states that any negotiations conducted by the credit broker or supplier of goods are deemed to be conducted in the capacity of an agent of the creditor, and that this includes all communications (including the advert) and representations made. This means that, in this case, any discussions, communication, or representations made by the dealership in respect of the car being free from any previous accident damage were done so as an agent of MI, for which MI remain liable.

Mr M has also raised the issue of misrepresentation. For misrepresentation to be present there must (a) have been a false statement of fact, either directly or by omission, and (b) that false statement of fact must have induced, in this instance, Mr M to have financed this particular car with MI.

I've seen the advert for the car and, while it doesn't say the car *had* been involved in a previous accident, it also doesn't claim that the car *hadn't* been involved in a previous accident. This is also something that is unlikely to show on any pre-sales checks, and the dealership wouldn't be aware the car had been involved in a previous accident unless they had specifically been advised of this by the previous owner – such a declaration is highly unlikely and, as the independent engineer has confirmed, the previous repair was of a satisfactory standard and not visible to the naked eye.

Given this, I'm satisfied there has been no false statement of fact. It is possible for there to be misrepresentation by omission – where the dealership are aware of something they don't disclose, but on the balance of probabilities, for the reasons already given, I think it's highly unlikely that the dealership were, or could have been, aware the car had previously been in an accident and had been repaired. And it's not misrepresentation when the dealership fails to advise the customer of something they were themselves unaware of.

It's also the case that, in buying any used car, there is the possibility that it's been in a previous accident and has been repaired to a satisfactory standard. This is a risk all parties take in such a transaction, and this doesn't then mean the car is of an unsatisfactory quality as a result.

Finally, Mr M has raised the value of the car. As explained by the investigator, the cash value of the car was £24,845 and we have obtained a valuation of the car at the point of

supply which gave a retail value of £24,373. So, Mr M has paid a fair price for the car and has not been overcharged.

Mr M has also provided general information about the depreciation of car values over time, and how this affects trade values. However, this is not specific to the car he was supplied with, so I can't agree the previous accident damage has devalued the car by thousands of pounds, especially as the insurance report has said there is more damage to the car than the area of the previous accident damage.

Given all the above, and while I appreciate this will come as a disappointment to Mr M, I'm satisfied the car was of a satisfactory quality when it was supplied to him, and I won't be asking MotoNovo to do anything more.

My final decision

For the reasons explained, I don't uphold Mr M's complaint about MI Vehicle Finance Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 17 November 2025.

Andrew Burford
Ombudsman