

## **The complaint**

Mr D complains that the car he acquired financed through a hire purchase agreement with Marsh Finance & Commercial Limited ("Marsh Finance") wasn't of satisfactory quality.

## **What happened**

On 2 August 2024 Mr D acquired a car financed through a hire purchase agreement with Marsh Finance. Mr D said before he bought the car it was thoroughly inspected by an experienced mechanic, a full diagnostic check was performed, and the car was assessed comprehensively to ensure it was in good condition. Shortly after collecting the car system errors began to appear, indicating engine-related faults. After consulting with a mechanic and running diagnostics, he said it was determined the issues were related to the DPF modules. He took it to the supplying dealer for repairs.

After some back and forth the dealer informed him the problem had been resolved, and he collected the car. A little while later during a routine oil change, Mr D said he discovered the DPF component had been removed without his consent. He said the dealer assured him the part would be replaced and would contact him within two to three months to rectify the issue. Despite chasing he received no updates. He then reached out to the broker and eventually brought a complaint to Marsh Finance. Marsh Finance asked Mr D to return the car to the dealership in February.

In its final response Marsh Finance said the agreement had been terminated, and, as a suitable outcome had been reached, the complaint was closed. Mr D remained unhappy with the way his complaint had been addressed. He said he hadn't been compensated or any of his payments refunded so he brought his complaint to this service. He also complained about how the complaint was handled with the slow response and lack of communication.

Satisfied that Marsh Finance had accepted the car wasn't of satisfactory quality our investigator recommended Marsh Finance refund payments from when Mr D wasn't able to drive the car and also pay Mr D £250 in compensation for the distress and inconvenience caused.

Neither party accepted the compensation recommended by the investigator and made additional comments to which I have responded below where appropriate.

## **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 seen that Mr D has made numerous points in support of his complaint. I know that I've summarised it in far less detail and in my own words. I'm not going to respond to every single point made by Mr D. No discourtesy is meant by this. Instead, I've focussed on what I think is the crux of the complaint. Our rules allow me to do this. This simply reflects the informal nature of our service. If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point to be able

to reach what I think is the right outcome.

In considering what is fair and reasonable I need to have regard to the relevant law and regulations, regulator's rules, guidance and standards, codes of practice and (where appropriate) what I consider having been good industry practice at the relevant time. Mr D's hire purchase agreement is a regulated consumer agreement and as such this service can consider complaints relating to it.

Marsh Finance, as the supplier of the car, was responsible for ensuring it was of satisfactory quality when it was supplied to Mr D. Whether or not it was of satisfactory quality at that time will depend on several factors, including the age and mileage of the car and the price that was paid for it. The car was about 8 years old, had been driven for 71,298 miles and had a price of £9,995. Satisfactory quality also covers durability which means that the components within the car must be durable and last a reasonable amount of time.

I'm persuaded there was a problem with the car and this has been accepted by Marsh Finance. In its response to this service it said the issue is *"not a vehicle that had developed a fault but a vehicle that has been mis-sold due to having been tampered with at the point of sale."* So I don't need to examine the problem with the car as Marsh Finance has accepted liability. What is disputed is the remedy.

Mr D said when he purchased the car it was fully operational and had been inspected by an independent technician. He said the issues only arose around three weeks after purchase and were already being handled under the dealer's warranty. The DPF issue was addressed during the repair process not at the point of sale. I have not seen any technical evidence which confirms exactly what the problem was with the DPF and when it originated. But as it was discovered within 30 days of Mr D acquiring the car it is assumed that the fault was present or developing at the point of sale and Marsh Finance, having spoken to the dealership, has accepted that.

Mr D is unhappy because Marsh Finance negotiated the return of the vehicle and unwinding of the agreement without his consent. He said over several months he tried to resolve the issue with Marsh Finance and didn't receive a resolution or proper communication. He said the vehicle was returned in February but he didn't receive the final response until April and he felt punished for following instructions to return the car because he never wanted to return it. He said £250 wasn't enough to compensate for the distress and inconvenience this had caused.

Marsh Finance has said £250 is too much compensation and proposed £150.

In response to our investigator's view it said

*"the broker informed the vehicle was sold to the customer without a DPF and therefore the vehicle was not fit for purpose and should not have passed the MOT that it had done at the point of sale. Due to this the vehicle did not conform to the terms and conditions of the finance agreement. We were also advised within the same email that the dealership was open to completing the repairs but would not provide a courtesy vehicle or be able to provide a timeframe for when the repairs would be completed."*

*... we have provided the customer the two options, first being to unwind the finance agreement due to the vehicle having been mis-sold or the second option being to allow them to complete the repairs but the dealership has confirmed they could not advise when the parts would turn up or repairs take place. The customer came back and confirmed he wished for the vehicle to be repaired by the dealership but asked if*

*they would provide him a courtesy vehicle due to the vehicle not being road legal and he was concerned about the vehicles condition, which was understandable following the confirmation from the dealership about the vehicle being tampered with prior to sale. Unfortunately, the customer was then advised by the broker that the dealership would not be willing to provide a courtesy car and they also reiterate the fact that the dealership would not commit to any repair timeframes.*

*Due to this and the lack of commitment from the dealership in relation to when the repairs would likely be completed, Marsh Finance opted to unwind the finance agreement due to the financial interest we hold in the vehicle. Whilst we understand this was not the first option the customer wished for, we did not believe the dealership would complete the necessary repairs within a timely manner or to standard we would expect. This was advised to the customer on the 20 February 2025, you will see we did try to get the best resolution for the customer, but due to the dealership's actions or lack of actions it was not possible."*

Given that the dealership could not provide a reasonable timeline for repair and the car could not be driven I agree with Marsh Finance that returning the vehicle and unwinding the agreement was the more fair and reasonable remedy. But I don't agree that £150 is adequate compensation. Marsh Finance has explained the situation and the reasons for its decision to our service but it seems that it didn't explain this very well to Mr D, who wanted to keep the car and didn't understand why he was being asked to give it back and why there was a delay in the resolution. And I think this added to Mr D's distress as he told this service that he really wanted to keep the car and eventually own it outright. So I think £250 is appropriate.

Mr D doesn't think £250 is adequate compensation. It's not my role to punish the business. While I can appreciate Mr D was frustrated with the lack of pace in resolving the issue and I understand this caused him stress I can see that Marsh Finance worked behind the scenes to establish what the problem with the car was and under the circumstances made the more reasonable decision to unwind the agreement. So I'm satisfied that £250 compensation is fair and what I would expect in the circumstances.

Mr D has asked for a refund of payments. During the time he had the car Mr D was able to drive nearly 9,000 miles so I'm satisfied he has had fair usage of the car and it's also fair he should pay for that. But I do think Marsh Finance should refund him payments for when he was unable to use the car due to repairs. He was unable to use the car from 5-6 September and from 8-13 September 2024. This is approximately equivalent to one week. So a quarter of one payment should be refunded.

### **Putting things right**

To put things right Marsh Finance must:

- refund one quarter of one payment.
- refund any deposit that was paid by Mr D.
- pay 8% simple interest on all refunded amounts from the date of payment until the date of settlement.
- pay a further amount of £250 for any distress or inconvenience that's been caused due to the faulty goods.
- remove any adverse information from the customer's credit file in relation to the agreement if these have been added.

**My final decision**

My final decision is I uphold this complaint and Marsh Finance & Commercial Limited must put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 23 October 2025.

Maxine Sutton  
**Ombudsman**