

## **The complaint**

Miss M complains about the quality of a vehicle she acquired through a hire agreement financed by Motability Operations Limited (Motability).

Miss M is represented in her complaint, but for ease of reference I'll refer to Miss M directly throughout my decision.

## **What happened**

In September 2022 Miss M acquired a new car through a hire purchase agreement.

In October 2023 Motability wrote to Miss M to let her know that the service for her car was now overdue. The letter said it was essential that the car was serviced in line with manufacturer recommendations, and there was a risk the warranty for Miss M's car would be invalidated if this wasn't done.

In May 2024 the car was serviced. It'd travelled around 10,500 miles.

In December 2024 Miss M had a diagnostic completed for an intermittent air bag fault, which was traced to a TNB unit failure and the unit was replaced. A diagnostic was also completed for the oil light going on and off. The oil was found to be below minimum levels, and it was topped up. Miss M had travelled around 16,000 miles at this point.

In May 2025 the car was serviced. The front brake pads and discs were replaced, and the timing belt was replaced as it was found to be swollen. Miss M had travelled around 19,500 miles in the car.

Around three weeks after the service and repairs Miss M took the car back to the dealership as the oil light was on and the car was in limp mode. The dealership told Miss M the engine may need to be replaced, but it might not be covered by the warranty.

Miss M complained to Motability about the car in July 2025. She said she didn't want it to be repaired and didn't want to keep it due to the engine issues.

Motability sent Miss M their final response to her complaint in July 2025. They said the warranty would usually cover the cost of repairs, but it had been invalidated because the first service for the car was late. Motability told Miss M she would be responsible for the cost of repairs in line with the terms and conditions of her agreement.

Unhappy with the response from Motability, Miss M brought her complaint to this service for investigation. She said she didn't think she should be responsible for the cost of replacing the engine.

Our investigator asked the repairing garage for their opinion on the fault. They said, in summary, that oil and coolant were found to be mixed, which usually indicates a head gasket failure. They didn't think the previous timing belt repairs had led to this fault, and they said

they weren't convinced that servicing outside of manufacturer guidelines was the reason for the failure. They suggested that the vehicle might have run low on coolant.

Our investigator initially gave their view that the car was of unsatisfactory quality when it was supplied to Miss M, and so Motability should cover the cost of the repairs.

Motability didn't agree, they said, in summary, that they hadn't investigated the cause of the failure of the engine, rather they relied on the non-compliance with the manufacturers service schedule, and the terms and conditions of Miss M's agreement meaning that she was therefore responsible for repair costs.

Our investigator said the information from Motability had changed their mind, and they said that because the repairs weren't covered under warranty due to the missed service, they didn't think Motability were responsible for the costs.

Miss M didn't agree. She maintained that the engine failure wasn't caused by the missed service.

As an agreement can't be reached, the case has been passed to me for a decision.

### **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.

In considering what's fair and reasonable, I need to have regard to the relevant law and regulations. The agreement in this case is a regulated conditional sale agreement – so we can consider a complaint relating to it. Motability as the supplier of the goods under this type of agreement is responsible for a complaint about their quality.

The Consumer Rights Act 2015 (CRA) is relevant to this complaint. It says that under a contract to supply goods, there is an implied term that the "quality of the goods is satisfactory"

Motability have said that Miss M didn't service the car in line with manufacturer recommendations, and this has invalidated the warranty for the car. They say the replacement or repair of the engine would usually be covered by the warranty. But because it can't be, the terms and conditions between them and Miss M mean that Miss M is now responsible for the cost of repairs.

I've thought carefully about this, and the existence, or not, of a warranty doesn't alter Motability's requirements under the CRA. Satisfactory quality is a legal right and the terms and conditions don't supersede this. The agreement between Motability and Miss M also confirms this, section 13.2 of the terms and conditions state:

*"Whilst you have chosen the vehicle and the vehicle has not been inspected by us, we are nevertheless under a legal duty to supply you with a vehicle that is in conformity with this agreement. Nothing in these terms will affect your legal rights and remedies. In summary, your rights include, but are not limited to, the right to receive products which are as they are described; of satisfactory quality and fit for a particular purpose..."*

So, I've gone on to consider whether the car was of satisfactory quality at the time it was supplied to Miss M.

To be considered "satisfactory" the goods would need to meet the standard that a

reasonable person would consider satisfactory – taking into account any description of the goods, the price and other relevant factors. Those factors, in the case of a car purchase, will include things like the age and mileage of the car at the time of sale, and the car’s history. The quality of the goods includes their general condition and other things like their fitness for purpose, appearance and finish, safety and durability.

Here the car was acquired new. With this in mind, I think it’s fair to say that a reasonable person would expect the vehicle to be free from defects for a considerable period.

As Motability have relied on the invalidation of the warranty to decline Miss M’s complaint, there has been little investigation into the cause of the fault, and whether it made the car of unsatisfactory quality at the time it was supplied to Miss M.

Where evidence is incomplete, inconsistent or contradictory, I reach my decision on the balance of probabilities – in other words, what I consider most likely to have happened in light of the available evidence and wider circumstances.

The inspection of Miss M’s car has noted oil in the cooling system, indicating a failure of the head gasket. There is evidence of overheating and failed cylinders, and so replacement of the engine was recommended.

The timing belt on Miss M’s car was replaced at the most recent service as it was noted as being swollen. Although the belt is located in the same area as the head gasket, the head gasket is not usually disturbed in a belt replacement, and so I’m not persuaded that this repair led to the current fault. A swollen timing belt can be an indication of poor-quality oil.

The manufacturer recommended service intervals for Miss M’s car are every 12 months, or every 12,500 miles, whichever occurs first.

The car was registered in September 2022, and the first service was completed in May 2024. So, although the car hadn’t travelled 12,500 miles at this time, the service was around eight months late. Regular servicing is designed, among other things, to keep a car engine in good condition. When they’re missing or late, it creates conditions which put immense stress on parts over time.

It’s not clear how long the car was in the factory prior to being registered, and so there’s no evidence of the condition of the oil when Miss M acquired the car, but this can make the first service of a vehicle particularly important.

Whilst the company that replaced the engine of the car said they weren’t convinced that the delayed service resulted in the fault, they haven’t said what they think caused the engine to fail, only that it might have run low on coolant. Coolant is also checked during servicing, and so this could relate to the service history of the car.

Miss M’s car had travelled around 19,500 miles at the time of the failure, and so I’m persuaded that the parts have failed prematurely, but I’m also persuaded that the faults relate to the delayed services rather than inherent defects or durability issues. The parts in question all rely on good quality oil to run, and the swollen timing belt indicates that there could have been problems with the oil. It’s not clear what quality the oil was when the car was supplied to Miss M, and the first service being eight months late is likely to have created conditions that have put stress on these parts over time.

All things considered, I find that the car was of satisfactory quality at the time it was supplied to Miss M. I appreciate that having a car that requires repairs is a stressful and may be an

expensive experience for Miss M. that doesn't mean that Motability are responsible for the cost of those repairs.

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 27 February 2026.

Zoe Merriman  
**Ombudsman**