

## **The complaint**

Mr P complains that Tandem Motor Finance Limited is holding him responsible for damage that was caused to a car after it had agreed that he could reject it.

## **What happened**

A used car was supplied to Mr P under a hire purchase agreement with Tandem Motor Finance that he electronically signed in September 2024. The price of the car was £13,476, Mr P paid a deposit of £3,000 and he agreed to make 59 monthly payments of £264.61 and a final payment of £274.61 to Tandem Motor Finance.

Mr P complained to Tandem Motor Finance about issues with the car in October 2024 and it arranged for the car to be inspected by an independent expert in November 2024. It provided a copy of the inspection report to the dealer and it says that the dealer had accepted that Mr P could reject the car. Mr P says that he tried to return the car to the dealer but it didn't accept it back so he had to take it home and it was then vandalised. Tandem Motor Finance said that the car was in Mr P's possession so he was liable for the damage caused.

Mr P then complained to this service and his complaint was looked at by one of this service's investigators who, having considered everything, didn't think that Tandem Motor Finance had acted fairly. He thought that Tandem Motor Finance had come to the correct outcome about rejection of the car but he recommended that it should: unwind the agreement and collect the car, at no additional cost to Mr P (not including the damages to the car and fair usage charges); refund to Mr P the £3,000 deposit, with 8% interest; and pay Mr P the £100 compensation that it had offered him.

Tandem Motor Finance accepted the investigator's recommendation but Mr P didn't agree with it, so I've been asked to issue a decision on his complaint. Mr P has provided detailed responses to the investigator's recommendation and he says, in summary, that the rejection was accepted by Tandem Motor Finance, he attempted to return the car as instructed but the dealer refused to take the car so he had no choice but to bring it home and he shouldn't be held liable for damage to the car after that point. He also says that he's been forced to keep the car on his driveway and that he should be compensated for that inconvenience and the loss of use of his property at a rate of £250 per month.

## **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.

Tandem Motor Finance, as the supplier of the car, was responsible for ensuring that it was of satisfactory quality when it was supplied to Mr P. It has accepted that it wasn't of satisfactory quality and agreed that Mr P could reject the car. It's also accepted the investigator's recommendation about the actions that it should take to put things right.

Tandem Motor Finance said in its final response letter to Mr P that it would: "*endeavour to*

*fully cancel your agreement with us within 28 days of the date of this communication however this is subject to the car being collected/delivered in a timely manner*". I consider that the rejection of the car would take effect from when the car was collected from Mr P or delivered by him to the dealer. He says that he attempted to return the car as instructed but the dealer refused to take the car so he had no choice but to bring it home. The car was still in Mr P's possession at that time, even though he didn't want it to be, and I consider that he was responsible for the car whilst it was still in his possession.

The hire purchase agreement says: *"You are responsible for all loss of, or damage to, the Vehicle even if caused by events beyond your control (except for loss or damage due to fair wear and tear) and for all fines and duties relating to the Vehicle"*. Tandem Motor Finance said in its final response letter to Mr P: *"It is assumed that the vehicle will be returned in the same condition as when it was sold to you. Should this not be the case, you may also be liable for a damages deduction(s)"*. I consider that Mr P is responsible for the damage caused to the car by the vandalism and that it was fair and reasonable for Tandem Motor Finance to say that the car was in Mr P's possession when it was vandalised so he was liable for the damage caused.

Mr P says that he reported the vandalism to the police but that he's not made a claim to his insurance company for the damage caused as he doesn't feel that it's his responsibility. If he returns the car to Tandem Motor Finance with damage, I consider that it's entitled to charge him for the cost of repairing that damage. Mr P has the choice of either having the damage repaired (either at his cost or by making a claim to his insurance company) before the car is collected by Tandem Motor Finance or returning the damaged car to Tandem Motor Finance and paying any charge that it makes for the damage.

Tandem Motor Finance said that cancellation of the hire purchase agreement was subject to the car being collected or delivered in a timely manner. The car hasn't been collected or delivered and remains in Mr P's possession so he continues to be responsible for it. I'm not persuaded that it would be fair or reasonable in these circumstances for me to require Tandem Motor Finance to compensate Mr P for the inconvenience of still having the car and the loss of use of his property.

Tandem Motor Finance has agreed that Mr P can reject the car and has accepted the investigator's recommendation about the actions that it should take to put things right. I find that it would be fair and reasonable in these circumstances for Tandem Motor Finance to take the actions described below.

### **Putting things right**

I find that it would be fair and reasonable for Tandem Motor Finance to end the hire purchase agreement and arrange for the car to be collected from Mr P, subject to him confirming whether or not the damage to the car is to be repaired before it's collected. That should be at no further cost to Mr P, other than the usage deduction of 25p for each mile that was described in its final response letter and any charge for the damage to the car. Tandem Motor Finance said in its final response letter that, where possible, the charges would be deducted from the payments made against the agreement and, where not possible, repayment of that sum would need to be agreed between Mr P and its motor finance operations team.

The hire purchase agreement shows that Mr P paid a deposit of £3,000 for the car. I find that it would be fair and reasonable for Tandem Motor Finance to refund to Mr P the deposit that he paid with interest. Tandem Motor Finance offered in its final response letter to pay £100 to Mr P as a gesture of goodwill. If it hasn't already made that payment to him, I find that it would be fair and reasonable for it to pay him that £100 compensation.

If the total of the monthly payments made by Mr P under the hire purchase agreement is greater than the charges described above, I find that Tandem Motor Finance should refund the difference to Mr P, with interest on the refunded amount. If the total of the monthly payments made by Mr P under the hire purchase agreement is less than those charges, I find that Tandem Motor Finance should deduct the difference from the other payments to be made to Mr P under this decision, and if there's still an amount outstanding that it should agree a repayment arrangement with Mr P for the outstanding amount.

### **My final decision**

My decision is that I uphold Mr P's complaint and order Tandem Motor Finance Limited to:

1. End the hire purchase agreement and arrange for the car to be collected from Mr P – both at no cost to him, other than as described above.
2. Refund to Mr P the deposit that he paid for the car.
3. Refund to Mr P any balance of the monthly payments that he's made under the hire purchase agreement, subject to the charges described above.
4. Pay interest on the amounts to be refunded to Mr P at an annual rate of 8% simple from the date of each payment to the date of settlement.
5. Pay to Mr P the £100 that it offered to him, if it hasn't already done so.

HM Revenue & Customs requires Tandem Motor Finance to deduct tax from the interest payment referred to above. Tandem Motor Finance must give Mr P a certificate showing how much tax it's deducted if he asks it for one.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 8 October 2025.

Jarrold Hastings  
**Ombudsman**