

The complaint

Mr A complains that the car he acquired financed through a hire purchase agreement with Tandem Motor Finance Limited ("Tandem") wasn't of satisfactory quality.

What happened

In December 2023 Mr A acquired a car financed through a hire purchase agreement with Tandem. In October 2024 the car developed a problem with the engine. Mr A said a manufacturer's garage diagnosed the problem was as a result of an improper prior repair. He said the service history showed the timing chain had been replaced weeks before he acquired the car. Facing expensive repairs Mr A complained to Tandem.

In its first final response Tandem did not uphold the complaint but invited Mr A to have the car independently inspected. Mr A arranged this. The first inspection indicated that the engine would need to be stripped in order for further diagnostic inspection. A second inspection indicated that on the balance of probability the issues with the engine would have been developing at the point of sale.

Following the inspections Tandem did not uphold the complaint. It said it didn't accept the balance of probability could be relied upon in this instance. Mr A didn't agree and brought his complaint to this service.

Our investigator concluded that the car wasn't of satisfactory quality when supplied and Mr A should be allowed to reject it. Tandem didn't agree and asked for a decision from an ombudsman. It made some additional comments to which I have responded below as 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.

Having done so I agree with the conclusions reached by the investigator for the reasons I've outlined below.

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 A's hire purchase agreement is a regulated consumer agreement and as such this service can consider complaints relating to it.

Tandem, as the supplier of the car, was responsible for ensuring it was of satisfactory quality when it was supplied to Mr A. 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 first registered in 2012, had been driven for just over 119,000 miles and had a price of £6,743. Satisfactory quality also covers durability which means that the components within the car must be durable and last a reasonable amount of time – but

exactly how long that time is will depend on several factors.

If I am to decide the car wasn't of satisfactory quality I must be persuaded faults were present at the point of supply. Faults that developed afterwards are not relevant, moreover even if the faults reported were present at the point of supply this will not necessarily mean the car wasn't of satisfactory quality. This is because a second-hand car might be expected to have faults related to reasonable wear and tear.

Is there a fault?

From the information provided I'm satisfied there was a fault with the car. This is apparent from an email from the garage to Mr A confirming fault codes relating to camshaft position sensors and two independent reports provided by Mr A. In the first report it says:

"The fault codes do suggest an issue with the valve to piston timing which can be caused by problems with the camshaft variable timing drive sprockets. This can be caused by a poor previous repair however as stated previously the engine will need to be stripped to prove this."

The engine was stripped down and the second report says:

"The recently stripped vehicles engine was inspected, with scoring noted to both camshaft bearing surfaces.

The recently removed engine camshafts were inspected with scoring present to the bearing surfaces.

The camshaft sprockets were inspected and noted as seized in position."

Satisfactory quality

When Mr A complained to Tandem about the car it invited him to provide an independent report to identify any faults and liability. The first inspection took place with the engine intact. The engineer said:

"There is no doubt that the vehicle has a timing issue as evidenced by the fault code stored in the vehicles ECU; during the inspection we did note that the engine has undergone previous repairs however, the extent of the previous repairs cannot be confirmed at this point without the engine being stripped.

The background evidence suggests that the camshaft bridge was not the bridge originally fitted at the point of manufacture which suggests vehicle has undergone previous major engine repairs...

The fault codes do suggest an issue with the valve to piston timing which can be caused by problems with the camshaft variable timing drive sprockets. This can be caused by a poor previous repair however as stated previously the engine will need to be stripped to prove this.

Given the fact that the vehicle has covered some 11,000 miles since the date of purchase we do not believe that the current issues could have been present at the point of sale as the vehicle couldn't have driven 11,000 miles in this condition."

Mr A had the engine stripped down and the car re-inspected. The same engineer attended. In the second report the engineer said:

- *'(The mechanic at the garage) advised me "The engine has been apart in the*

past, and the timing chain replaced. The engine turbo has also been replaced. We believe the reason for the previous repairs would be due to a loss of oil pressure at some point."

- *... scoring noted to both camshaft bearing surfaces.*
- *...camshafts were inspected with scoring present to the bearing surfaces.*
- *The engine timing chain was inspected with no faults noted.*
- *The camshaft sprockets were inspected and noted as seized in position.*
- *The engine timing cover was inspected with evidence of previous repairs due to excess sealant present...*
- *We can confirm that the camshaft bearings which is normally is associated with a reduction oil pressure, this can be caused by failure of the oil pump however the scoring gauge is more consistent with oil becoming cavitated or reduction in oil pressure due to a blockage of the primary oil feed in the sump for example.*
- *Cavitation can also be caused by a vehicle been driven with insufficient oil in sump, without removal of the sump we cannot state if the primary oil feed has been partially blocked.*
- *We noted that the timing chain appears to have been replaced in the past, also noted that there was excessive sealant residue in the rocker cover which we believe applied when the timing chain was replaced.*
- *When excessive quantities of sealant is applied this can result in fragment of the applied sealant becoming suspended in the oil can get sucked up into the primary oil feed reducing the oil flow around the engine and ultimately resulting in engine seizure.*
- *The top half of the engine would normally be affected in the first instance which could account for why the camshaft sprockets are in a seized condition. Without the sump being removed to inspect the oil pump and the primary oil filter we cannot confirm our opinion.*
- *Having said that of the above and on the balance of probabilities the highlighted issues would have been developing at the point of sale therefore the sales agent should be responsible for the stripping cost.'*

Mr A provided a copy of the car's service book. There is an entry dated 8 November 2023, mileage 119,239, noting work completed on the timing chain. I also note this is the date of the MOT and was only five weeks before Mr A acquired the car.

I find the technical reports reliable and have no reason to dispute their findings. The same engineer completed both inspections and was minded to adjust his assessment once he had seen the engine stripped down. He concluded there was damage to the camshaft bearings associated with low oil pressure. Possible causes include a blockage or driving with insufficient oil. But as he also noted there was excessive sealant residue from when the timing chain was repaired. He said residue can contaminate the oil affecting the flow and resulting in engine seizure. Mr A has managed to drive 11,000 miles since acquiring the car but I find the engineer's conclusions persuasive in that the faults were likely developing at the point of sale. And there appears to be a strong possibility that the engine seizure was as a result of a failed repair that happened very shortly before he received the car.

In its response to our investigator's view Tandem said:

"We accept that on occasion, the balance of probability is something that can be relied upon in the absence of evidence. However, in this situation, we don't accept the balance of probability when the vehicle has travelled 11,000 miles since the point of sale.

In our opinion, there needs to be concrete evidence to counter the conclusion of wear and tear when the car has driven 11,000 miles and, in this case, there is no evidence. 11,000 miles is a substantial amount and that can course a huge form of wear on a car, so we dispute your decision on that basis.”

Mr A had the car inspected twice and the engineer drew a stronger conclusion after the second inspection. With the engine stripped down he said that on the balance of probability the faults were developing at the point of sale. And the evidence seems to point towards a failed repair just before Mr A acquired the car rather than wear and tear. Deciding based on the balance of probability or what is more likely to be the case is a standard our service uses. I accept that the car already had a high mileage - though not unusually high for its age – and that Mr A was able to drive 11,000 miles before the car failed. But the car must still be of satisfactory quality at the point of sale and that includes being reasonably durable. I’m persuaded by the technical evidence that the fault was present at the point of supply and was more likely than not to be as a result of a failed repair, so I’m persuaded the car wasn’t of satisfactory quality.

The estimated repair costs exceed £3,300. The car was £6,743 when supplied so I think repairing the car isn’t economical. So I think it fair and reasonable that Mr A should now be allowed to reject the car.

Mr A was able to drive the car up until September 2024 and has had fair use of it. But he has not been able to drive it from October 2024 so I think it reasonable Tandem refund any payments made from that point. He should also be refunded the costs of the vehicle inspection, the independent reports and to have the engine stripped. Mr A has been inconvenienced by the faults with the car and having to get it inspected. So I think it reasonable that Tandem pay him £250 in compensation.

Putting things right

To put things right Tandem must:

- end the finance agreement ensuring Mr A is not liable for monthly rentals after the point of collection (it should refund him any overpayment for these if applicable);
- take the car back at no cost to Mr A;
- refund Mr A’s deposit of £2,650;
- refund to Mr A all rentals for the period from October 2024 to the date of settlement;
- refund to Mr A the cost of the two independent reports, the engine stripping and the vehicle health check. Mr A should provide receipts to Tandem;
- pay 8% simple yearly 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 Mr A’s credit file in relation to the agreement.

My final decision

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

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr A to accept or reject my decision before 14 January 2026.

Maxine Sutton

Ombudsman