

The complaint

Miss B complains about a radiator fault on a used car she acquired through a hire purchase agreement (HPA), financed by Tandem Motor Finance Limited trading as Tandem (Tandem).

What happened

In March 2024, Miss B acquired a used car through a HPA, financed by Tandem. The cash price was £5,700.

Miss B says she started experiencing problems with the car overheating around April 2024. After the issues worsened and the car's timing chain failed, Miss B arranged for the car to be returned to the supplying dealership and in June 2024, repairs were carried out.

After the car was repaired and returned to Miss B, she says there was an issue with the exhaust and that she found the overheating issue remained. In August 2024, the supplying dealership carried out further repairs. But following the completion of these repairs, Miss B let them know the car was still overheating.

Miss B complained to Tandem. As part of their investigation, an independent engineer was instructed to inspect the car. The inspection was carried out in December 2024, and the report noted the failure to have occurred in August 2024 and the milage at the time of the failure as being 77,156. The report recorded the milage at the time of purchase as having been 73,300.

In summary, the engineer's report concluded that there was coolant leaking from the radiator. The engineer said the radiator would need replacing and that once done, further investigation into the head gasket would be required. But when asked if they '*considered the issues under review to be the result of durability issues?*' and if they '*felt the matter should be referred back to the selling dealer?*' they answered 'No' to both.

Based on the engineer's report, Tandem didn't uphold Miss B's complaint. Miss B disagreed with Tandem's response, so she asked the Financial Ombudsman Service to investigate.

One of our Investigators looked into things but said he couldn't safely conclude the car was supplied with a present or developing fault which resulted in the car's radiator or overheating issues.

But after reviewing further evidence provided by Miss B, our Investigator said he didn't think she'd been supplied with a car of satisfactory quality and that he was satisfied the issues with the car were present, and which had occurred shortly after she'd taken possession of it. He said Tandem should allow Miss B to reject the car.

Tandem didn't agree with our Investigator's opinion, saying the independent report had concluded the faults found would not be the responsibility of the selling dealer. They said given the age of the car and the distance it had travelled, the durability of parts would be significantly less than that of a newer car, so they didn't think there was any reason to

counter the engineers report.

Because an agreement couldn't be reached, his complaint has come 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'm upholding this complaint and for much the same reasoning as our Investigator. I'll explain why.

But first, where evidence is incomplete or inconclusive (as some of it is here), I've reached my decision on the balance of probabilities, deciding what I consider most likely to have happened in light of the evidence that is available and the circumstances of this complaint as a whole.

As this complaint concerns the quality of goods, in this case a used car, supplied through a regulated HPA Miss B entered into, I'm satisfied this is a complaint we can consider.

In considering what's fair and reasonable, I need to have regard to the relevant law and regulations. The Consumer Rights Act 2015 (CRA) is relevant to this complaint. It says that under a contract to supply goods, there is a statutory right for the goods to be of satisfactory quality. It's important to say in this case, the CRA specifically states durability is an aspect considered when assessing if goods are of satisfactory quality.

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 all other relevant factors.

Here, Miss B acquired a used car which had covered around 73,000 miles and cost around £5,700. So, I think a reasonable person would not have the same expectation of quality in comparison to a newer model, which had less mileage on the odometer. But I still think they would expect the car to be free from any major defects and would expect trouble free motoring for both some time and distance.

From the information I've been provided I'm persuaded there was a fault with the car. So, having been satisfied the car had a fault, I'll now consider if it was of satisfactory quality at the time it was supplied to Miss B.

Satisfactory quality

My starting point is that I'm aware the independent engineer's report deemed the faults found with the car not to be as a result of durability issues. But in the circumstances of this case, I'm not persuaded this is the case. I'll explain why.

The engineer's report notes the failure date to have been 14 August 2024 and that the car had travelled around 4,000 miles prior to that date. It also notes previous repairs having been carried out in June 2024.

But Miss B says she started experiencing overheating issues with the car as early as three weeks after taking delivery of it. And Miss B wasn't even in possession of the car on that date. It wasn't returned to her until 22 August 2024.

Miss B has provided a quote she says was obtained in April 2024. While this quote is

handwritten and undated, it does list multiple potential issues that appear to be present with the car, listing, amongst other things:

- ‘coolant leak poss expansion tank (water on floor)’
- ‘O/S/F shock absorber leaking’, and,
- ‘Front pads + discs poor condition’

Prices are then quoted for various replacement parts including for parts such as ‘Coolant bottle’, ‘Shock’ and ‘Discs pads with top mount’.

It’s clear the car was then returned to the supplying dealer in June 2024 at which time the timing chain was replaced, along with other repairs being carried out which appear to be in keeping with some issues listed on the previous quote Miss B had supplied. But there is nothing to suggest in June 2024, the supplying dealer did anything to address the overheating issues Miss B says she was experiencing.

In August 2024, the supplying dealership carried out further work on the car, this time working on an issue with the exhaust. But at the same time a replacement water pump was fitted. The engineers report made no reference to these August repairs which were carried out prior to the dated it was reported the radiator fault occurred, so I think it’s more likely than not they weren’t aware of them at the time of their inspection.

A replacement water pump would more often than not be required if a car was suffering from overheating or a loss of coolant. An issue in keeping with both, the issues Miss B says she’d experienced from as soon as only three weeks after taking delivery of the car and those listed on the initial quote she has provided.

Following the return of the car after the August repairs, Miss B says she was unable to drive the car for a week due to her having to reactivate her insurance policy. But I can see soon after she was able to drive it, she almost immediately contacted the supplying dealer to say the car was still overheating.

So on balance, I’m satisfied Miss B experienced overheating issues with the car very soon after taking delivery. And I don’t think it’s reasonable for her to have expected to face such issues so soon after entering into the agreement. As such, I’m satisfied the car wasn’t of satisfactory quality when it was supplied to Miss B.

As recognised by Tandem prior to the instruction of the independent engineer’s inspection, attempts to repair the overheating issue appear to have been carried out, for example, in August 2024. And ultimately those repairs appear to have failed. So, I’m satisfied it is now fair for Miss B to be able to reject the car. I’ll now set out what I think Tandem need to do to put things right.

Putting things right

As I’ve concluded Miss B was provided with a car that wasn’t of satisfactory quality when it was supplied to her, it’s fair Tandem put things right for her. For the reasons I’ve explained, I’m satisfied Miss B now has the right to reject the car.

I also don’t think it’s fair for Miss B to have paid for hire of the car when she hasn’t been able to use it. Having looked at the testimony and evidence provided, I’m satisfied Miss B wasn’t able to use the car for around two months between picking up the car in March 2024 and her letting the dealership know she was still experiencing overheating issues at the start of

September 2024. So, I think she should be refunded for two monthly repayments to reflect this loss of use.

Miss B has provided evidence of costs she incurred when she was required to travel and was without use of the car. But I'm satisfied the redress I've set out above is both fair and reasonable in compensating Miss B for the loss of use she experienced so, I won't be asking Tandem to reimburse these costs.

Miss B has also explained how the issues she has experienced since being provided the car have caused her a great deal of distress and inconvenience, impacting her mentally as the issues have gone on. So, I think it's fair she is also compensated for this. And I think £200 in compensation is reasonable in the circumstances.

Finally, Miss B says she was asked to transport the car back to the dealership for it to receive the June 2024 repairs. She says this incurred her a cost of £180. I don't think it was fair for Miss B to have been asked to do this and as such, it isn't a cost she ought to have occurred. Upon the provision of proof of payment to Tandem, I think they should reimburse her for this loss.

My final decision

My decision is that I uphold Miss B's complaint and instruct Tandem Motor Finance Limited trading as Tandem to:

- end the agreement with nothing further to pay;
- take back the car from Miss B, if not already done, without delay and without any cost to her;
- refund the deposit of £108 paid by Miss B;
- refund Miss B the equivalent of two monthly rental payments for the period between March 2024 and September 2024, as she had no use of the car for around this period between these points;
- refund Miss B all rentals paid from 1 September 2024 until the point of settlement;
- upon the provision of proof of payment to Tandem, they should refund the expense of £180 Miss B incurred as a result of having to transport the car to the supplying dealership.
- pay interest at 8% simple per year on all payments refunded to Miss B from the date of each payment until the date of settlement;
- remove any adverse information applied to Miss B's credit file in relation to the agreement.
- pay Miss B £200 in compensation for distress and inconvenience.

HM Revenue & Customs requires 247 to deduct tax from the interest payment referred to above. Tandem must give Miss B a certificate showing how much tax it's deducted if she asks them for one.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 29 December 2025.

Sean Pyke-Milne
Ombudsman