

The complaint

Mr H is unhappy with the quality of a car financed using a hire purchase agreement from AutoMoney Limited.

What happened

In December 2022 Mr H entered into a hire purchase agreement with AutoMoney for a used car. The car was around four years old and had been driven for 47,909 miles. The cash price was £10,780.

A MOT in January 2025 recorded Mr H's car's mileage as 57,114. The car broke down at the end of March 2025. Not long after, Mr H had the car assessed by a garage who said that there was water ingress damage to the ABS module and associated terminal. They said that they believe the fault to be intrinsic and highly unlikely to be caused by environment. The garage concluded that they believe the car has a pre-existing fault.

Unhappy with the quality of the car, Mr H complained to AutoMoney. They said they didn't believe the car was faulty at the time of sale because of the length of time and number of miles Mr H had driven it since he acquired it.

Dissatisfied, Mr H brought his complaint to our service. One of our investigators looked into things and said AutoMoney needed to do more here. They said that they didn't think the car was durable based on the repairs needed and the garage report.

AutoMoney didn't agree because it had been two and a half years since Mr H acquired the car and he had been able to drive it for around 10,000 miles. They didn't agree the car wasn't durable. They said that it had passed two MOT's since the point of supply and they weren't persuaded by the report supplied by the garage.

As AutoMoney didn't agree with the investigator, the case has been passed 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.

Mr H acquired his car using a hire purchase agreement and so The Consumer Rights Act 2015 ("CRA") is a relevant legislation for this complaint. The CRA sets out expectations and requirements around the quality of goods supplied. In summary, goods should be of satisfactory quality. Section 9 of the CRA says that goods are of satisfactory quality if they meet the standard that a reasonable person would consider satisfactory. When considering the quality of a car, the age, mileage and price are things that need to be taken into account.

The quality of the goods also includes their general condition and other things like their fitness for purpose, appearance and finish, safety and durability.

I've then gone on to consider the repairs that are needed with the car, specifically taking into

account what the CRA says about satisfactory quality. The garage who inspected Mr H's car said they think it is uneconomical to repair. They specifically said they thought the fault was pre-existing.

Automoney has raised concerns over the fairness of relying on Mr H's report. I've considered what they've said but overall, I find the report's findings persuasive. This is because it clearly details why and what it thinks is wrong with the car. Automoney have said they don't think it is independent or impartial because the garage would've been motivated by generating repair work for itself. But the report said the car was uneconomical to repair, so I can't see how this is the case.

I also can't ignore that it is a report carried out by a garage specialising in diagnostic and repairs and is the only evidence of this type supplied here.

In addition to this, one of the other issues I need to consider is whether the car is durable – that is, the components within the car must last a reasonable amount of time. In this case, a car being uneconomical to repair does seem very premature.

I've no evidence to indicate that Mr H has caused or contributed to these failures. This is because I think the miles he has driven since supply is under what I would usually expect to see, and not excessive. So, on balance it seems to me to be more likely than not that these components were not durable, and therefore the car was not of satisfactory quality at the point of supply.

Considering all of this, I'm not persuaded that the damage to the car is reasonable. Nor would I expect an issue which caused the car to be uneconomical to repair to have occurred to one of this age and mileage. And so, although I appreciate Automoney's comments, I find the evidence provided to support Mr H's position persuasive and I don't think that in the circumstances, the car supplied was durable.

It follows for all the reasons explained above, that I don't think a reasonable person under the parameters of the CRA would say that the car was of satisfactory quality when it was supplied. Considering the evidence suggests the car is uneconomical to repair, I think Mr H should be allowed to reject it.

In rejecting the car, Automoney should unwind the agreement so Mr H has nothing further to pay and collect the car at no further cost to him. As part of this, they should remove any adverse information from the details held with the credit reference agencies.

Mr H has not been able to drive the car since April 2025. And so, Automoney should refund the payments made from this time to account for the time he was unable to use it.

Automoney should pay 8% simple interest on these amounts from the date Mr H paid them to the settlement of this complaint. This is because Mr H has been without use of these funds.

I also think Automoney should pay Mr H £150 for the distress and inconvenience he has experienced as a result of the faulty car. I say this because Mr H has had the inconvenience and stress of having his car break down and then taken for diagnostics. He has also had the inconvenience and frustration of being without his car since April 2025. So, I think £150 acknowledges the distress and inconvenience he experienced.

Putting things right

My final decision is that I uphold this complaint and ask AutoMoney Limited to:

1. Unwind the agreement so Mr H has nothing further to pay;
2. Collect the car at no extra cost to Mr H;
3. Refund Mr H the finance repayments he made from April 2025;
4. Add interest at a rate of 8% a year simple to part three of this settlement from the dates they were paid, to the date of settlement of this complaint.*
5. Pay Mr H £150 for the distress and inconvenience he has experienced; and
6. Remove any adverse information which has been recorded with the credit reference agencies

*If Automoney deducts tax from any interest they pay to Mr H, they should provide him with a tax deduction certificate if he asks for one, so he can reclaim the tax from the tax authorities if appropriate.

My final decision

My final decision is that I uphold this complaint and require AutoMoney Limited to put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 12 January 2026.

Ami Bains
Ombudsman