

The complaint

Mr M complains that a car supplied to him under a hire purchase agreement with Oodle Financial Services Limited was of an unsatisfactory quality.

Reference to both Mr M and Oodle includes their representatives.

What happened

I issued a provisional decision setting out what I thought about Mr M's complaint. I've copied the relevant parts of that provisional decision below – and they form part of this final decision.

“In March 2023, Mr M was supplied with a used car through a hire purchase agreement with Oodle. The cash price of the car was £27,500. Mr M paid a deposit of £7,000 and the agreement was for £20,500 over 60 months; with an initial payment of £616.31 followed by 58 payments of £566.31 and a final payment of £616.31. At the time of supply, the car was around seven years old, and had covered 83,000 miles.

While driving home from the dealership, Mr M noticed a rattling noise as well as a problem with the suspension. The car was returned to the dealership shortly after. The suspension problem was repaired, and the dealership said there was a slight buzzing noise coming from the steering column. They didn't think the noise suggested a fault that would affect the car's performance or functionality.

After further investigations were carried out, the matter was considered by this service. One of our Investigators said the noise was likely caused by a fault and recommended that Oodle arrange and pay for repairs. Around the same time, Mr M arranged a diagnosis through a garage which identified two separate noises – a shuddering from the drive belt caused by a slightly weak tensioner, and another caused by an engine coolant leak. The garage said the car shouldn't be driven until the coolant leak was rectified. The garage arranged to replace the drive belt, tensioner and coolant gaskets to fix the faults, at Oodle's cost.

A few weeks later, Mr M reported that the car was still making a noise. He said the repairs had failed, so now wanted to reject the car. Oodle arranged an independent inspection of the car. The inspector noted a slight rattling noise coming from the nearside of the engine when starting the car, which cleared after a few seconds. They didn't think it was likely that the noise was caused by a fault present at the point of sale, but said that if the car had recently been repaired then responsibility lay with the repairing garage. They later concluded that the fault wasn't related to the previously repaired noise, as the noise was coming from a different area of the engine. Mr M returned the car to the repairing garage, who concluded that the drive belt noise was still present. They said the components that had been previously replaced seemed to be working as expected, and suggested replacing the bottom pulley to see if doing so resolved the issue.

Oodle said that if the previous fault had been misdiagnosed that was the responsibility of Mr M's garage and didn't mean he could reject the car. Mr M referred a new complaint to this service. One of our Investigators considered the complaint and upheld it. They were satisfied

the repairs had failed, so said Mr M was entitled to reject the car. They recommended that Oodle end the agreement and collect the car, and that it pay Mr M £150 to recognise the distress and inconvenience caused.

Mr M accepted the Investigator's recommendations, but Oodle didn't. In summary, it said that it only agreed to a repair in the first instance due to the involvement of this service, and didn't think it fair that it be held responsible for that repair failing. They remained of the opinion that the car didn't have a significant fault considering the car's age and mileage. They asked for the complaint to be referred to an Ombudsman for a final decision. So, it's been passed to me to decide.

What I've provisionally 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.

If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome. Where evidence has been incomplete or contradictory, I've reached my decision on the balance of probabilities – what I think is more likely than not to have happened given the available evidence and wider circumstances.

In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and (if appropriate) what I consider was good industry practice at the time. Mr M was supplied with a car under a hire purchase agreement. This is a regulated consumer credit agreement which means I can consider a complaint about it.

The Consumer Rights Act 2015 (CRA) covers agreements such as the one Mr M entered into. Under this agreement, there is an implied term that the goods supplied will be of satisfactory quality. The CRA says that goods will be considered of satisfactory quality where they meet the standard that a reasonable person would consider satisfactory – taking into account the description of the goods, the price paid, and other relevant circumstances. I think in this case those relevant circumstances include, but are not limited to, the age and mileage of the car and the cash price. The CRA says the quality of the goods includes their general state and condition, as well as other things like their fitness for purpose, appearance and finish, freedom from minor defects, safety, and durability.

In this case, the car was around seven years old with a mileage of 83,000 when it was supplied to Mr M. I think a reasonable person would expect a car of this age and mileage to have significantly more wear and tear than a newer one would. I also think a reasonable person would expect the car to need some level of repair and maintenance sooner than one that had travelled fewer miles. But I wouldn't expect the car to be supplied with any significant faults, and I would expect it to be sufficiently safe and durable.

It's previously been agreed and accepted by both parties that there was a fault with the car when it was supplied to Mr M, and that the car therefore wasn't of a satisfactory quality. Mr M says the car is still faulty after being repaired. I've considered whether that's the case – and whether the car has been returned to a satisfactory quality. Under the CRA, where the car isn't of a satisfactory quality the business has a single chance to repair the fault. If that repair fails to bring the car to a satisfactory quality, the customer has the right to reject it. So, if I thought the car still wasn't of a satisfactory quality after the repair, it would be fair for Mr M to be able to reject the car unless he accepted an alternative remedy – such as a further repair.

It's not in dispute that the car is still making a noise despite the repairs. The independent

inspector says the noise is coming from the nearside of the engine, and they didn't conclude that it was related to any previous repairs. The repairing garage suspects that the bottom pulley is causing the belt to rattle and has suggested replacing it.

The repairs were carried out to address two faults which were causing a noise from the engine. Although the independent inspector doesn't think the noise is related to the drive belt repair, I'm not persuaded by this. The report doesn't suggest any other potential sources of the noise, and I think it's unlikely that the car would have developed an unrelated fault causing a similar noise in the time since it was repaired. Based on the reports I've seen, it's likely that the repair to the drive belt didn't successfully stop the rattling noise.

However, this doesn't necessarily mean that the car wasn't returned to a satisfactory quality. In a previous complaint, our Investigator said the noise meant the car wasn't of a satisfactory quality. At that time, the cause of the noise was unknown. Now that diagnostics and repairs have been carried out, more information is available – which I've been able to take into account.

Based on the garage's comments, it appears the more serious fault – and the one that made the car potentially unsafe to drive – was the coolant leak. This leak was repaired by replacing the coolant gaskets, and I haven't seen anything to suggest that this repair wasn't successful or that there was still an issue following that repair that meant the car couldn't be driven. And I think that fault specifically meant that the car wasn't of satisfactory quality when it was supplied. Oodle has already paid to repair that fault, and has reimbursed the payments Mr M made when he was unable to use the car. It also paid additional compensation under a previous complaint. So, I don't think it needs to do anything further in relation to that fault.

The only problem that appears to remain is the rattling from the drive belt. I appreciate Mr M is concerned about this noise, and no longer wishes to use the car. But I need to take into account that a seven-year-old car that's travelled more than 80,000 miles won't be in the same condition as a new or less travelled one. I've also considered that although Mr M hasn't regularly used the car, it's travelled more than 3,500 miles since it was supplied to him – including around 1,000 miles following the repair. I haven't seen anything to suggest that the rattling noise means the car cannot be driven, or that it affects the performance or function of the car. The noise is intermittent and slight, and goes away after a few seconds.

While I can understand why Mr M isn't happy with the noise, it isn't significantly out of line with what I'd expect from a car of this age and mileage – especially considering the miles Mr M has driven himself. It's possible that the drive belt components are simply nearing the end of their lifespan – which I don't find unreasonable given the age and mileage of the car. I'm not persuaded that the rattling noise – on its own – is caused by a fault that renders the car of unsatisfactory quality.

I'm satisfied that the repairs returned the car to a satisfactory quality, as they resolved the coolant leak issue which had made the car potentially unsafe to drive. It follows that I don't think Oodle acted unfairly by not allowing Mr M to reject the car, and I don't think it needs to reimburse the payments he's made towards the agreement since the repair was carried out. I also won't be requiring Oodle to pay any compensation to Mr M for the same reasons.

I appreciate this will come as a significant disappointment to Mr M, but based on the information I've seen I don't intend to uphold his complaint or require Oodle to do anything further.”

Responses to my provisional decision

Mr M disagreed with my provisional decision. He provided some additional comments, which I've summarised:

- The car has had clear and persistent issues since he collected it. The ongoing noise was reported immediately and has never been properly resolved.
- Everyone who's looked at the car has said the noise isn't normal and is a fault. This service agreed there was a fault when he previously complained.
- Oodle doesn't dispute that there's a fault, but simply hasn't accepted responsibility for it. This is demonstrated by the fact it offered to pay for further repairs.
- The repairing garage says the noise is coming from the engine itself, which could lead to serious problems in future – confirming that the car isn't of satisfactory quality and that the noise isn't a superficial issue.
- Oodle had its chance to repair the car, and that repair failed – so under the CRA he can reject the car.
- While he accepts the car isn't new, he wouldn't expect a car of this age and mileage to be sold with an engine fault.
- The fact that the noise returned after the belt was replaced shows this isn't a wear and tear issue.

He also provided additional comments from the repairing garage. In summary, they said:

- The original noise was caused by vibration in the auxiliary belt, which is reasonably common in cars with aftermarket belts. After replacing the belt and tensioner, the noise went away for a period.
- Further diagnostics were carried out after the noise returned. They couldn't initially see a cause, but found that the bottom pulley was running out of balance causing belt movement. It suggested replacing the bottom pulley to fix the problem.
- If the auxiliary belt completely failed it would affect the engine – which could potentially be dangerous.
- Their initial diagnosis also found noise caused by an engine leak, which would require stripping to find the exact cause. A coolant leak could cause overheating and substantial engine damage. It advised that the car wasn't used until the fault was rectified.

Oodle said it agreed with my provisional decision. It looked at the repairing garage's comments, and said the garage appeared to be simply trying and testing different things and hadn't successfully located an actual fault. It noted that some makes and models have noises that form as characteristics of the car and don't necessarily suggest a fault.

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.

I'd like to thank both parties for providing their comments in response to my provisional decision – which I've carefully considered. Having done so, I've now reached my final decision on the matter.

I'd first like to clarify that I haven't concluded that the car doesn't have a fault – or that the car is entirely fault free following the repair. I also don't dispute – as previously concluded by this service – that the car wasn't of a satisfactory quality when it was supplied to Mr M or that

it needed to be repaired. But the presence of a fault doesn't always mean a car isn't of a satisfactory quality. For me to say the repairs have failed and that the car should be rejected, I'd need to be satisfied there's still a fault - which was present at the point of sale - and that fault renders the car of an unsatisfactory quality.

I've considered the repairing garage's comments. The engineer has referred to both noises detailed in my provisional decision. While I note the engineer's comments regarding the auxiliary belt noise, I'm not persuaded - on balance - that this renders the car of an unsatisfactory quality. I'll explain why.

I note that after the drive belt was replaced, the car covered around 1,300 miles before the noise returned. This seems to suggest that replacing the belt and tensioner resolved the initial problem causing the noise. This is consistent with the engineer's initial conclusion that the belt was weak, and the tensioner wasn't providing the correct tension.

While the engineer has commented on potential causes for the noise returning, this isn't conclusive. The engineer suggested replacing the pulley to see if doing so stopped the noise - but this isn't enough for me to conclude that the engine has a significant unresolved fault, or that the noise is coming from a fault inside the engine as Mr M suggests. The cause of the noise hasn't been found, and I haven't seen enough evidence to persuade me that the noise is the result of a significant fault which renders the car of an unsatisfactory quality. As outlined in my provisional decision, it may be that some parts are simply nearing the end of their lifespan given the age of the car - even if the problem currently causing a noise isn't the belt itself.

The engineer also says that if the auxiliary belt failed completely, it could cause dangerous damage to the engine. But their comments don't lead me to conclude that the belt has failed or that the noise is caused by a problem that is likely to cause the belt to fail in future - they've simply mentioned the consequences of the belt failing. The only known effect of the current issue appears to be the slight rattling noise when the car is started, which - for the reasons outlined in my provisional decision - I don't agree renders the car of unsatisfactory quality on its own.

The engineer says finding the exact cause of the secondary noise - related to a coolant leak - would require stripping the engine. As outlined in my provisional decision, I'm satisfied the coolant leak rendered the car of unsatisfactory quality - as it made the car unsafe to drive. But the leak was rectified by the repairing garage by replacing the coolant gaskets. I haven't seen any evidence - from the repairing garage or elsewhere - to suggest that there's still a coolant leak or that the fault wasn't resolved following the repair.

So, I remain satisfied - on balance - that the repair returned the car to a satisfactory quality. Although there's still a slight rattling noise on startup, I haven't seen enough evidence to persuade me there's still a fault with the car that renders it of unsatisfactory quality. I'm not persuaded that the noise alone renders the car of an unsatisfactory quality taking all of the circumstances - including its age and mileage - into account. While I've considered the additional comments and evidence from both parties, my overall conclusions remain the same as those outlined in my provisional decision - for the same reasons. It follows that I don't uphold this complaint or require Oodle to do anything further.

In its response to Mr M's complaint, Oodle said it would look into covering a further repair at no cost to Mr M. Mr M should contact Oodle directly if he now wishes to accept this or arrange another repair.

My final decision

My final decision is that I don't uphold Mr M's complaint about Oodle Financial Services Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 7 November 2025.

Stephen Billings
Ombudsman