

The complaint

Mr S complains that a car supplied to him under a hire purchase agreement with SECURE TRUST BANK PUBLIC LIMITED COMPANY trading as V12 Vehicle Finance was of an unsatisfactory quality.

What happened

In August 2024, Mr S was supplied with a used car under a hire purchase agreement with V12. The cash price of the car was £8,495 and Mr S paid a deposit of £500. The amount of credit under the agreement was £7,995, to be repaid over 48 months, with 47 monthly payments of £214.31 followed by a final payment of £224.31. At the time of supply, the car was around eight years old and had travelled 69,000 miles. Before the car was supplied, Mr S arranged for the dealership to replace the timing chain at his own cost.

The next day, Mr S contacted the dealership as the service and coolant lights were illuminated and the engine had started to smoke. Over the next few weeks Mr S encountered other problems – and the engine management light was illuminated. The car was returned to the dealership in September 2024 and the problems appeared to be resolved following a repair. Mr S also reported some electronic issues, but says the dealership didn't resolve those.

In October 2024 Mr S noticed some oil spots under the car. He reported the issue to V12 and took it to a local garage who identified a leak from the gearbox and fourth engine cylinder. They noted some bolts and brackets were missing from the housing. The gearbox and engine were removed and stripped to identify the cause of the leaks. V12 asked Mr S to book the car in with the dealership for further investigation.

Mr S was unhappy with this, as he'd already been without the car for more than a month and arranged investigations at his own cost. He said he couldn't afford to be without his car any longer as he needed it for work. When V12 didn't respond Mr S arranged the repairs recommended by his garage – which included replacing the charge cooler, EGR, flywheel, clutch kit and gaskets – as well as removing and refitting a fuel injector. The works were completed in December 2024 and Mr S says he didn't have any further problems after that. The garage commented that the leaks were caused by poor previous repairs. Mr S initially asked his warranty provider for help with the repair costs – but it said it couldn't offer assistance as the problems related to a poor repair rather than a mechanical fault.

V12 responded to the complaint in June 2025. It said Mr S had arranged repairs without its authorisation and that it hadn't been given the opportunity to inspect the car or resolve any problems itself. It said there was no evidence that the problems Mr S reported were present or developing at the point of sale, so didn't think it needed to take any action.

Mr S referred the matter to this service. One of our Investigators considered the complaint and upheld it. They were satisfied the car wasn't of a satisfactory quality when it was supplied, and recommended that V12 refund the costs incurred by Mr S – including the replacement timing chain – as well as some of his monthly payments to reflect the time he was without the car. They recommended that V12 pay a further £400 to reflect the distress

and inconvenience caused. Mr S accepted the Investigator's conclusions. V12 didn't respond to our Investigator, so the matter has been passed to me for a final decision.

I wrote to the parties to let them know that I'd reached broadly the same outcome as our Investigator for the same reasons – but I'd reached a slightly different conclusion about what should be done to put things right. I said I agreed the repair costs incurred by Mr S should be reimbursed – but not the cost of the replacement timing chain. I also said I intended to require V12 to pay an additional £200 – rather than £400 – to recognise the distress and inconvenience caused. Mr S said he accepted my intended outcome. V12 said it had nothing further to add and would await my final decision.

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.

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 S 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 S 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.

So, if I thought the car was faulty when Mr S took possession of it, or that the car wasn't sufficiently durable, and this made the car not of a satisfactory quality, it'd be fair and reasonable to ask V12 to put this right.

In this case, the car was eight years old and had travelled 69,000 miles when it was supplied to Mr S. I think a reasonable person would expect a car of this age and mileage to be supplied with more wear and tear than a new or less travelled one, and would expect it to require repair and maintenance sooner. But I think they'd expect the car to be reasonably safe and durable, and free from significant defects for a reasonable period.

Mr S also raised a concern with this service about potential modifications to the car. I can't see that this is a point that's been raised with V12 – and it isn't part of the complaint that he referred to this service, so I haven't commented on it here. Mr S would need to raise any additional concerns with V12 in the first instance.

Neither party has provided detailed information regarding the faults initially repaired by the dealership – and I can't say with any certainty what caused various dashboard lights to illuminate or why the engine was smoking. In any case, it appears those problems were

resolved to Mr S' satisfaction – and I don't think I need to consider these points in detail to reach a fair outcome. I say this because the main concern that Mr S had was the oil leak identified the following month. For the same reason, I haven't commented directly on the electronic issues Mr S reported to the dealership in August 2024 – as I can't see that he's raised a concern about it since then or asked V12 to take any action relating to those issues.

Based on the invoices I've seen I think it's clear there was an oil leak, and that some investigation was required to find the source of the leak and resolve it. Again, the information is limited – as a detailed diagnostic hasn't been provided. Mr S' garage commented that the cause of the leak was poor workmanship from a previous repair. Mr S says that during the course of their investigations, loose metal was found in the engine and some bolts were missing. While the garage doesn't comment on this specifically, I'm reasonably satisfied from the photos Mr S has provided that this is the case.

Under the CRA, any faults that develop within the first six months are assumed to have been present or developing at the point of sale – unless there's evidence to suggest otherwise. In this case, the leak occurred around six weeks after the car was supplied. The repairing garage says the leak was caused by poor workmanship – and I haven't seen any evidence to dispute this. It's not clear whether the workmanship referred to is the dealership's repair or something that happened before the point of supply. But I don't think it ultimately makes a difference here – as I'm reasonably satisfied the leak was either developing at the point of supply or was caused by the dealership when it repaired other faults. I haven't seen anything to suggest the car was worked on by anyone other than the dealership after it was supplied to Mr S.

While V12 says it didn't have the opportunity to investigate or provide its own evidence, I don't agree. Mr S reported the fault in early October, and I'm satisfied V12 had sufficient time to arrange its own inspection before Mr S arranged to repair the problem. I've commented on this further below.

I don't think a reasonable person would expect a car of this age and mileage to suffer a significant oil leak just six weeks from the point of supply. So, I'm satisfied the car wasn't of a satisfactory quality when it was supplied to Mr S.

Putting things right

For the reasons I've explained, I'm satisfied the car wasn't of a satisfactory quality when it was sold to Mr S. Mr S has already arranged to repair the car at his own cost, and hasn't suggested that there are still any problems with it. While Mr S initially said he wanted to reject the car, he's more recently said he's happy to keep it as long as V12 reimburses his costs. So, I see no reason for the car to be rejected at this stage.

I've considered the costs incurred by Mr S. As outlined above, I don't agree that the cost of the timing chain replacement should be reimbursed. This appears to have been a private job agreed between Mr S and the dealership before the car was supplied. I haven't seen any evidence that the timing chain wasn't fit for purpose or that it needed to be replaced. But even if it did, it appears Mr S was aware of that and agreed to purchase the car – and pay for a replacement timing chain – on that basis. I also haven't seen any evidence linking the timing chain replacement to the problems later reported by Mr S.

I note V12's point that it wasn't given the opportunity to inspect the car or arrange repairs itself before Mr S paid for the works. But I can see that Mr S made frequent contact with V12 about the situation and kept it updated on the diagnostics, as well as the works recommended by his garage. In November 2024, he told V12 on at least two occasions that he needed the car for work and intended to proceed with the repairs. While V12 suggested

booking the car in with the dealership, I can't see that it told Mr S not to arrange repairs himself – despite being aware that he intended to do so and already had an estimate for the works. It didn't respond in detail again after that, and didn't respond to the complaint for a further seven months. Given that Mr S needed the car, hadn't been provided with any alternative transport and hadn't received any substantial response from V12 for close to two months I don't find it unreasonable that he arranged repairs at his own cost. I'm satisfied he effectively mitigated his loss by doing so, as being without the car affected his ability to work. I'm satisfied V12 had sufficient opportunity to arrange investigations and repairs to the car itself, if it wanted to.

Looking at the repair invoices, I'm satisfied the works carried out by Mr M were directly required as a result of the fault – and I don't find the costs he's presented unreasonable in the circumstances. As I'm satisfied the repairs were carried out reasonably by Mr S – and that they were only necessary because the car wasn't of a satisfactory quality at the point of supply – it's fair that V12 reimburse the cost of that work. I'm also satisfied Mr S didn't have use of the car from when he reported a fault in October 2024 to when the final repairs were completed in December 2024. In total Mr S was unable to use the car for around two months and wasn't provided with any alternative transport – so I think it's fair that V12 refund the payments he made towards the agreement during that time to reflect this loss of use.

It's also clear that being supplied with a car that wasn't of a satisfactory quality caused distress and inconvenience to Mr S. He was unexpectedly without use of the car, and because V12 didn't respond promptly to his concerns or offer support he had to arrange repairs himself at his own costs. I'm already requiring V12 to reimburse Mr S' payments to reflect his loss of use – and I think a further compensation payment of £200 fairly reflects the distress and inconvenience caused.

So, to put things right V12 should:

- Refund the following diagnostics and repair invoices paid by Mr S;
 - 8 October 2024 - £78;
 - 11 October 2024 - £264;
 - 23 October 2024 - £3,500.40; and
 - 10 December 2024 - £244.35.
- refund the payments Mr S made towards the agreement while the car was being investigated and repaired (two months);
- apply 8% simple interest per annum to the above refunded amounts, calculated from the date Mr S made the payments to the date of settlement[†]; and
- pay Mr S an additional £200 to compensate him for the distress and inconvenience caused by being supplied with a car that wasn't of a satisfactory quality.

[†]If V12 considers that tax should be deducted from the interest element of my award, it should provide Mr S with a certificate showing how much it has taken off so he can reclaim that amount, if he is eligible to do so.

My final decision

My final decision is that I uphold Mr S' complaint. I require SECURE TRUST BANK PUBLIC LIMITED COMPANY trading as V12 Vehicle Finance to carry out the directions outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or

reject my decision before 27 November 2025.

Stephen Billings
Ombudsman