

The complaint

Mr Z complains that a car acquired under a hire purchase agreement with Startline Motor Finance Limited (“Startline”) wasn’t of satisfactory quality when it was supplied to him.

What happened

Both parties are familiar with the background of this complaint so I will only summarise what happened briefly here.

In November 2024, Mr Z entered into an agreement to acquire a used car. The car was supplied by a dealership (T) and Mr Z used a credit broker (M) to source the finance. No deposit was paid, with the total purchase balance provided by Startline under a hire purchase agreement. The car was seven years old and had covered approximately 72,500 miles when the agreement started. The agreement was for 60 months, with 59 monthly repayments of £174.06, and a final payment of £184.06. The cash price of the car was £6,355.

Just over a month after acquiring the car, Mr Z complained to M and Startline, and he returned the car to T. He said that there was a knocking sound when turning the car, and a whistling noise coming from the turbo. He also said there was a smell of petrol when starting the car. He said he didn’t want the car anymore, and he wanted to reject it. He left the car with T and told Startline he wouldn’t be making any payments towards the agreement.

Startline told Mr Z that T had been unable to identify any faults with the car and he needed to take it back. They said that, if he didn’t, they would treat it as abandoned and recover it to their agents. They did this at the end of January 2025 and also arranged for an independent inspection of the car to try and determine any faults. The inspection didn’t find any faults with the car, and Startline didn’t uphold Mr Z’s complaint.

As Mr Z still refused to collect the car, Startline sold it at auction and then applied the sale price to Mr Z’s outstanding balance. They asked him to pay the outstanding balance.

Mr Z brought his complaint to our service. Our investigator didn’t uphold it. She said there was no evidence of any faults with the car, so Startline had acted reasonably towards Mr Z.

Mr Z didn’t agree, so the complaint has been passed to me for a 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.

When considering what is fair and reasonable, I’m required to take into account: relevant law and regulations, relevant regulatory rules, guidance and standards and codes of practice.

Both parties have provided a lot of information here. I’d like to reassure them that I’ve read and considered everything that’s been sent, although I haven’t commented on it all within

this decision. I will be focussing on what I consider to be the key points of this complaint. This is not intended as a discourtesy but reflects the informal nature of this service in resolving disputes.

I think it's worth starting by explaining I'm only looking at Startline's responsibility here as the finance provider for the car. Mr Z has voiced a lot of concerns about M and T and how they dealt with his concerns about the quality of the car post-sale – but at that time M weren't acting as agents of Startline, and Startline can't be held responsible for anything M have said or done, or not done as per Mr Z's comments, post-sale. In this complaint, T have never been acting as an agent of Startline, and I can't comment on their actions pre-or post-sale.

As the hire purchase agreement entered by Mr Z is a regulated consumer credit agreement this service can consider complaints relating to it. Startline are also the supplier of the goods under this type of agreement and are responsible for a complaint about their quality.

The Consumer Rights Act 2015 (CRA) also covers agreements like the one Mr Z entered. Because Startline supplied the car under a hire purchase agreement, there's an implied term that it is of satisfactory quality at the point of supply. Cars are of satisfactory quality if they are of a standard that a reasonable person would find acceptable, taking into account factors such as, amongst other things, the age and mileage of the car and the price paid.

The CRA also says that the quality of goods includes their general state and condition, and other things like their fitness for purpose, appearance and finish, freedom from minor defects and safety can be aspects of the quality of the goods.

Satisfactory quality also covers durability. For cars, this means the components must last a reasonable amount of time. Of course, durability will depend on various factors. In Mr Z's case, the car was used and had covered approximately 72,500 miles when he acquired it. Having said that, the car's condition should have met the standard a reasonable person would consider satisfactory, given its age, mileage, and price.

Our investigator has explained that she doesn't think the car was of unsatisfactory quality when it was supplied to Mr Z. I agree in this case. The evidence provided by both parties doesn't confirm any faults with the car from the point of supply.

The CRA explains that where goods are found not to have conformed to the contract within the first six months, it is presumed the goods did not conform to the contract at the point of supply. Unless the supplier, Startline in this case, can prove otherwise. Mr Z brought the problems with the car to Startline's attention in December 2024, just over one month after being supplied with it. So, I have to consider if Startline have done as I'd expect them to do.

Startline arranged for an independent inspection of the car to take place. This is what I'd expect them to do in the circumstances. And this independent inspection report is, in my opinion, the most persuasive piece of evidence in this case. It's a visual inspection of the car by a qualified motor technician. The inspection didn't identify any faults with the car following a review and a road-test. None of the faults Mr Z said he'd experienced with the car were noticeable, and there were no fault codes displayed following the testing. Based on this report, I'm satisfied Startline acted reasonably towards Mr Z by telling him there wasn't anything to suggest the car wasn't of satisfactory quality and he couldn't reject it. As the car was already back with Startline by this point, and Mr Z had made it clear he had no intention of taking the car back, I'm also satisfied they acted reasonably by arranging to sell the car – and have applied the sale price fairly to Mr Z's overall outstanding balance following his refusal to take the car back.

Startline are asking Mr Z to settle the outstanding balance under the agreement. I'm satisfied that's a reasonable thing for them to do. However, Mr Z has mentioned that he's suffering financial difficulty – and I would urge him to speak to Startline about that. I would expect Startline to treat Mr Z with forbearance and give his situation due consideration to agree to a suitable, and sustainable, repayment plan.

I know this decision will come as a disappointment to Mr Z, and it's been a difficult time for him. But the evidence in this case doesn't show any faults were present with the car, so it follows I can't conclude that it was of unsatisfactory quality when it was supplied to him.

My final decision

For the reasons above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr Z to accept or reject my decision before 24 February 2026.

Kevin Parmenter
Ombudsman