

The complaint

Mrs J complains about a car she acquired through a finance agreement with Link Financial Outsourcing Limited trading as Asset Link Capital (No.10) ('Link Financial').

Mrs J is represented in this complaint but for ease of reference I have referred to Mrs J throughout this decision.

What happened

The parties are familiar with the background details of this complaint – so I will briefly summarise them here. It reflects my role resolving disputes with minimal formality.

Mrs J acquired a used car under a conditional sale agreement with Link Financial in February 2021. The cash price of the car was £20,138 and Mrs J was required to make 60 monthly payments for £327.43.

In July 2024 Mrs J got in touch with Link Financial to discuss her exit options on the agreement, she also explained the car had experienced a further catastrophic fault which now meant it was undriveable and declared SORN.

Link Financial didn't uphold Mrs J's concerns, in short it said it had provided Mrs J with the options available to exit the agreement, further, it didn't think there was sufficient evidence to determine the car was of unsatisfactory quality.

Our Investigator looked into things and also didn't uphold the complaint for similar reasons but Mrs J didn't agree. The complaint was considered further with a second opinion issued. This went on to confirm that Link Financial had acted fairly in presenting Mrs J with her exit options and as there was insufficient evidence, our Investigator couldn't fairly say the car was of unsatisfactory quality.

As an agreement couldn't be reached the complaint 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.

Having done so, I've reached the same overall conclusions as the Investigator, and for broadly the same reasons. If I haven't commented on any specific point, it's because I don't believe it affected what I think is the right outcome.

The quality of the car

The conditional sale agreement entered by Mrs J is a regulated consumer credit agreement and this Service is able to consider complaints relating to it. Link Financial is also the supplier of the goods under this type of agreement and responsible for a complaint about its quality.

The Consumer Rights Act 2015 (CRA) covers agreements like the one Mrs J entered. Because Link Financial supplied the car under a conditional sale 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 the age and mileage of the car and the price paid.

The CRA also says the quality of goods includes the general state and condition, and other things such as its 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 Mrs J's case the car was used and had travelled some distance when she acquired it. So, I'd have different expectations of it compared to a brand-new car.

It is also fair to expect there to be some wear and tear to it because of this use. As with any car, there is an expectation there will be ongoing maintenance and upkeep costs. And with second-hand cars, it is more likely parts will need to be replaced sooner or be worn faster than with a brand-new car.

It's not disputed Mrs J experienced some issues with the car and that there's been repairs carried out but just because there have been some issues it doesn't automatically make the car of unsatisfactory quality.

Further, I'd like to make it clear I am not considering any aspects of the engine failure which was considered under a different complaint with us. My decision here focuses on the faults Mrs J says she experienced in 2024. Mrs J first raised her concerns about these issues in June 2024 at which point Mrs J had the vehicle for three years.

The difficulty in this case is the lack of evidence I have from either party in relation to these faults. I'd be looking for some evidence that the fault Mrs J was experiencing in 2024 was as a result of the car failing prematurely or was as a result of a fault developing or being present at the point of sale. And not, caused by something that wasn't present or developing when the car was supplied. Neither party has provided a report from a garage or independent engineer relating to the faults.

Based on what I've seen, on the balance of probabilities, I'm, not satisfied there is evidence that shows that the issues Mrs J encountered in 2024 resulted from a fault that was present or developing at the point the car was supplied to her so I'm unable to say the car was of unsatisfactory quality.

Ending the agreement

What I need to decide here is whether Link Financial acted fairly once Mrs J requested information about her exit options. If I don't think it has, I'll need to think what's fair, if anything, to put things right.

Mrs J contacted Link Financial in June 2024 and asked about her options to exit the agreement. From what I've seen it acted promptly and I consider the information it provided was clear and not misleading.

Our Investigator has outlined in detail the timeline of events, so I don't find it necessary to repeat that here. Rather I'll focus my findings on whether Link Financial acted fairly. I can see Mrs J was told she could settle the agreement; voluntarily terminate or voluntarily surrender the agreement.

The agreement can be settled early, which is explained in the conditional sale agreement and is set out in the Consumer Credit Act 1974. If Mrs J chooses this option, it would mean Link Financial would apply a rebate for some of the future interest and charges.

The terms of the conditional sale agreement allow Mrs J to exit it early through the process of voluntary termination. This is a right which is set out in section 99 and 100 of The Consumer Credit Act 1974. Mrs J's agreement states:

'You have the right to end this agreement. To do so, you should write to the person you make your payments to. They will then be entitled to the return of the goods and to half the total amount payable under this agreement that is £12,257.90 If you have already paid at least this amount plus any overdue instalments and have taken reasonable care of the goods, you will not have to pay any more'.

So, whilst the right to voluntarily terminate the conditional sale agreement can be exercised at any time during the agreement, Mrs J must repay half the total amount payable under the agreement to Link Financial. In this case Mrs J is eligible for this option because she had paid at least 50% of the total amount payable. But Mrs J would remain liable for any damages outside the usual wear and tear.

Mrs J may also be able to voluntarily surrender the car. Whilst this isn't an option under the terms and conditions of the agreement, Link Financial said it would be willing to offer this where voluntary termination wasn't possible. This would involve Link Financial taking the car back and selling the car at auction.

The sale proceeds would then be deducted from the total amount payable, and Mrs J would be liable for the remaining amount. Due to the unpredictability of auctions, I appreciate Mrs J may not wish to do this as the sale proceeds may be significantly less than she may be offered by selling the vehicle privately.

Having considered the options Link Financial have provided, I'm satisfied that it has fairly provided Mrs J with the appropriate options available to her to exit the agreement.

I'm sorry to hear about both the personal and financial difficulties Mrs J has described to this Service, I understand this has been an extremely difficult time for her and I empathise that this isn't the outcome she would've wanted. I don't wish to cause further disappointment, but I must be fair to both parties and in the absence of any evidence to persuade me that the car was of unsatisfactory quality I cannot recommend rejecting the vehicle would be an option for Mrs J.

My final decision

For the reasons explained I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs J to accept or reject my decision before 14 November 2025.

Rajvinder Pnaiser
Ombudsman