

The complaint

Ms H is unhappy that a car supplied to her under a credit agreement with Tandem Motor Finance Limited ("Tandem") was of an unsatisfactory quality and it refused her request to reject it.

When I refer to what Ms H said and what Tandem said, it should also be taken to include things said on their behalf.

What happened

In December 2024, Ms H was supplied with a used car through a regulated credit agreement with Tandem. The cash price of the car was £13,995, and Ms H paid a £2,000 deposit. The agreement was set to cover the balance, with monthly payments of £348. At the time of supply, the car was approaching 7 years old and had done 95,000 miles.

Ms H said that the car broke down within a day of taking possession and it was back with the dealership for repair for the next two months. The car had been supplied to Ms H without oil, causing the engine to seize, so the engine had to be rebuilt. The car was returned to Ms H in February 2025, but she had to take the car back to the garage just six days later because the diesel filter (DPF) light had come on. She said the car was reset but, just over a week later, the problem returned. The car went into limp mode and Ms H was unable to use it. Ms H said she'd given the dealership enough time to repair the car yet, three months on, it wasn't roadworthy and she'd only had use of it for two weeks.

Ms H said the dealership repaired the car again in April 2025. On 6 May, just 10 days after the car was returned to her, Ms H reported an oil leak. Unhappy with this, Ms H queried why she was still having repairs despite asking to reject the car on several occasions, one of which was within 30 days of the start of the credit agreement. She asked Tandem, again, to unwind the agreement.

In July 2025, Tandem issued its final response to Ms H's complaint. It paid a little over £1,800 to her to cover four months' payments, interest and compensation by way of apology for the faults. Tandem said that although Ms H's preference was to unwind the agreement, due to the passage of time since the first engine fault, it wouldn't be able to honour an unwind.

Unhappy with this response, Ms H referred her complaint to our service for investigation.

Our investigator said the evidence indicated that the car was not of satisfactory quality when it was supplied to Ms H. She said that when the business was given a single chance to repair, the expectation was that it would be performed in a timely manner and with minimal disruption to Ms H. However, our investigator said that Ms H had to return the car several times, despite trying to exercise her right to reject within the first 30 days of supply. Our investigator thought Ms H's complaint should be upheld and that Tandem ought to:

- End the finance agreement with nothing more to pay
- Take the car back (if it hasn't already) without charging for collection.

- Reimburse Ms H's £2,000 deposit.
- Refund all but two months' payments.
- Pay interest on the refunded amounts.
- Pay £300 in compensation.
- Remove any adverse information recorded on Ms H's credit file in relation to this credit agreement (if applicable).

Tandem didn't agree with the investigator's findings. It said an independent inspection concluded that the repair hadn't failed and the problems were part of an ongoing repair cycle. Further, Tandem said that given the passage of time, the car would've depreciated in value meaning an unwind was no longer reasonable. It said the payment of £1,800 was in recognition of this.

Our investigator responded to Tandem's further comments and agreed that the payment already made could be taken off the amount due to Ms H when the agreement was unwound. Because Tandem didn't agree, the complaint was 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.

The Consumer Rights Act 2015 (CRA) covers agreements such as the one Ms H 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 Ms H 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 Tandem to put this right.

Undisputed Fault

In this instance, I don't think it's disputed there was a problem with the car, or that the fault was present when the car was supplied to Ms H. That's because the engine seized within a day of supply. Therefore, I won't go into detail about the fault.

Single Chance at Repair

Section 24(5) of the CRA says "a consumer who has ... the right to reject may only exercise [this] and may only do so in one of these situations – (a) after one repair or replacement, the goods do not conform to contract." This is known as the single chance of repair. And this applies to all issues with the goods, and to all repairs. That means it's not a single chance of repair for the dealership AND a single chance of repair for Tandem – the first attempted repair is the single chance at repair. What's more, if a different fault arises after a previous repair, even if those faults aren't related, the single chance of repair has already happened – it's not a single chance of repair per fault.

The CRA is clear that, if the single chance at repair fails, then the customer has the right of rejection. However, this doesn't mean that the customer is required to reject the car, and they can agree an alternative remedy, such as further repairs to the car.

Independent Engineer's Report

I've seen a copy of the independent engineer's report, dated 14 March 2025. In this report, the engineer concluded that, "*The vehicle is now experiencing renewed [...] DPF issues*" and "*It is important to emphasise that this does not indicate a failed repair, but rather that the vehicle is still within an ongoing repair cycle following the earlier engine failure*". The engineer also confirmed their duty is to the courts, not to the person who instructed or paid for the report.

While it's reasonable to rely on this report, I find it conflicts with the repair notes. The worksheet from the repair, dated 7 February 2025, states, "*Full Engine rebuild with genuine [manufacturer] parts, all calibrations performed. Road tested three times: PASSED*".

This suggests to me that when the car was returned to Ms H, it was considered that the repair was complete. Indeed, it's difficult to see why the car would've been returned to her if the repair wasn't complete.

I have no reason to doubt the independent engineer's conclusions regarding the DPF issues. But, on balance, I think a reasonable person would conclude that if further repairs were needed, causing them to return the car on multiple occasions, then the single chance of repair had already happened.

Delay in Repair

Section 23 of the CRA states that, "*If the consumer requires the trader to repair or replace the goods, the trader must – (a) do so within a reasonable time and without significant inconvenience to the consumer*".

Tandem first took the car in for repair in December 2024 and returned it to Ms H in February 2025. She was without the car for two months, during which time she repeatedly chased updates from Tandem and expressed the inconvenience the matter was causing her. I don't think a reasonable person would consider two months for a repair, after having the car less than day, amounts to a reasonable time. And I don't think a reasonable person would consider that to be "*without significant inconvenience*".

Given the evidence, I think it's reasonable to argue that Tandem failed to comply with Section 23(2)(a) of the CRA. And, in these circumstances, Ms H should be able to reject the car.

Right to reject

In its recent submissions, Tandem said the payment was in recognition of the missed opportunity to unwind the agreement. I don't agree that the opportunity was missed. The evidence shows that Ms H asked about, or mentioned, unwinding the agreement on numerous occasions, most notably in December 2024. Tandem said it was looking into it, so there was a clear opportunity. The fact that Tandem failed to take the appropriate action at the appropriate time should not impact Ms H's right to reject.

Compensation

Tandem acknowledged that Ms H had been without the car for four months overall, and that she had experienced distress and inconvenience because of the need to return the car on several occasions for lengthy periods. It also said that it recognised that the opportunity to reject the car had been missed. Tandem paid £1,815.02, which it broke down as equivalent to four months' payments, a gesture of goodwill, and 8% interest.

I've taken this into consideration, though I should point out that that the compensation paid does not, in my opinion, equate to the outcome Ms H would have achieved if Tandem had unwound the agreement when she asked.

Putting things right

As I've concluded that Ms H should have been able to reject the car, Tandem should:

- End the finance agreement with nothing more for Ms H to pay (refunding any overpayments made if applicable);
- Take the car back (if that has not been done already) without charging for collection;
- Reimburse Ms H's deposit of £2,000.
- Refund the car finance payments Ms H has paid since the inception of the agreement. The business can retain two payments for usage since the repairs.
- Apply 8% simple yearly interest on the refunds, calculated from the date Ms H made the payment to the date of the refund†.
- Pay Ms H £300 in compensation for the distress and inconvenience caused by the supply of a car which was not of satisfactory quality.
- Remove any adverse entries relating to this agreement from Ms H's credit file (if applicable).

Once it has calculated the total amount due to Ms H, Tandem may deduct £1,815.02 which is the amount it has already paid.

† If Tandem Motor Finance Limited considers that tax should be deducted from the interest element of my award, it should provide Ms H with a certificate showing how much it has taken off so she can reclaim that amount, if she is eligible to do so.

My final decision

For the reasons explained, I uphold Ms H's complaint, and Tandem Motor Finance Limited must put matters right by following my directions as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms H to accept or reject my decision before 18 December 2025.

Debra Vaughan
Ombudsman