

The complaint

Ms K is unhappy that a car supplied to her under a hire purchase agreement with Blue Motor Finance Ltd (Blue) was of an unsatisfactory quality.

What happened

In December 2024 Ms K was supplied with a used car through a hire purchase agreement with Blue. The agreement was for £23,450.80 over 60 months; with 60 monthly payments of £390.83. At the time of supply, the car was more than seven years old, and had done 54,253 miles.

Ms K said she took delivery of the car on 6 January 2025.

She said that shortly after getting the car she noticed a smell of petrol fumes. The car was taken to a main dealer garage who reported faulty injectors. It also reported a fault with a suspension arm.

Ms K later complained about a knocking sound from the underside of the car, and a wonky steering wheel.

On 21 March 2025 Ms K wrote to Blue, and the finance broker, informing them that she wanted to reject the car. She said she'd had continuous issues with faulty injectors, and a faulty lower ball joint needing replaced. She also said the car had calliper slides missing, a broken bonnet latch, and a fractured coil spring. She said the car had been in for repairs on 22 January 2025, 21 February 2025, and 4 March 2025, but the issues were unresolved.

Ms K said that initial repairs were agreed and the car was returned to her. She said she noticed the wheel alignment hadn't been done properly, or at all (she said the steering wheel was still wonky), and there was vibration through the steering wheel. She also said the car jolted forward when changing gear or pulling away, but this seemed to fix itself.

She said that in February 2025 a coil spring on the car broke. She said the main dealer garage told her both springs needed to be replaced but the broker only agreed to pay for the replacement of the spring that was broken. So the garage replaced the one broken spring.

Ms K said she wanted to reject the car.

On 18 February 2025 Blue issued a final response letter upholding Ms K's complaint. They said that the main dealer garage had identified faulty injectors and that the suspension arm needed to be replaced. They said repairs had been done, and they closed the complaint.

On 20 March 2025 they issued another final response letter after Ms K reported the knocking noise and the steering wheel alignment. They said they'd arranged an independent inspection. This had found that the coil spring had snapped and said this would not have been present at the point of sale and had occurred at some point later. It also said the wheel alignment issue only required a general minor maintenance adjustment. It concluded that the

issues were not present or developing at the point of sale. Based on this report Blue did not uphold Ms K's complaint.

Ms K was unhappy with this response, so she referred her complaint to our service for investigation.

Our investigator said she believed the car was not of satisfactory quality when supplied and, because the wheel alignment had not yet been fixed, the one opportunity to repair this was not fully completed. She said Ms K should be allowed to reject the car.

Blue didn't agree with the investigator. They said that wheel alignment was not a fault. They said that the alignment was probably necessary following the fault with the coil spring, which was due to wear and tear.

Our investigator replied stating that the wheel alignment issue had been unresolved since 22 January 2025, before the coil spring fault.

Because Blue didn't agree, this matter has been passed to me to make a 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.

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's affected what I think is the right outcome. Where evidence has been incomplete or contradictory, I've reached my view on the balance of probabilities – what I think is most likely 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. Ms K was supplied with a car under a hire purchase agreement. This is a regulated consumer credit agreement which means we are able to investigate complaints about it.

The Consumer Rights Act 2015 (CRA) covers agreements such as the one Ms K 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.

So, if I thought the car was faulty when Ms K 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 Blue to put this right.

It's not disputed there was a problem with the car Blue supplied to Ms K. Not long after she got it, Ms K reported a smell of fumes when driving.

The car was inspected by a main dealer garage, and faults were found with the injectors leaking, a suspension arm, a lower ball joint, calliper slides missing, and the wheels were misaligned. As these faults appeared shortly after Ms K acquired the car it can be assumed that they were present or developing at the point of supply. That means the car was not of a satisfactory quality when it was supplied to Ms K.

The car was repaired, and the cost of the repairs were covered under the warranty. I would say that was a reasonable remedy under the CRA.

But Ms K said the wheels were still misaligned. She knew this because the steering wheel was “wonky”. She also complained about vibration through the steering wheel.

This was confirmed in the independent engineer’s report of 11 March 2025. He acknowledged the wheel alignment issue, reported that the vehicle was pulling to the near side, and commented that “*this evidently requires adjustment*”.

So it appears that when the car was with the garage in January/February 2025 the steering wheel alignment was either not repaired, or the repair failed.

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 confirm to contract.”*

This is known as the single chance of repair. And this applies to all issues with the goods, and to all repairs i.e., it’s not a single chance of repair for the dealership AND a single chance of repair for Blue – the first attempted repair is the single chance at repair.

The CRA is clear that, if the single chance at repair fails, as was the case here, then the customer has the right of rejection.

Blue state that the wheel alignment issue was not a fault. They relied on a description of wheel alignment from a national autocentre. This described the various scenarios that can lead to wheel misalignment. Blue said that they felt that the broken coil spring was likely to be causing the issue with alignment. And because the coil spring issue was due to wear and tear, they said they were not responsible for the issue.

I disagree with that assessment. That’s because the fault with the steering alignment was diagnosed by the main dealer garage in January 2025. At that time, a fault with a suspension arm was also diagnosed. In their final response letter of 18 February 2025 Blue acknowledged this fault was present. So the issue with the steering wheel and alignment were not caused by the later fault with the coil spring, as they were present before the first attempted repair.

I’ve also considered the engineer’s comments that he considered the wheel alignment to be a general minor maintenance adjustment. I agree that this would be the case in many instances. But I’ve also considered that, in this matter, the issue was likely to be present at the point of supply, so it is more likely than not to be related to the faults with the steering and suspension systems as diagnosed by the main dealer garage in January 2025.

So I’m satisfied that a repair has been attempted, and the car still has a fault. It follows that I think it’s fair and reasonable that Ms K be allowed to reject the car. Ms K first told Blue in around 20 February 2025 that she wanted to reject the car.

I haven’t commented on the later issue with the broken coil spring, as that doesn’t affect the outcome I’ve reached. That’s because the failed repair had already occurred before the spring broke.

Putting things right

Impaired Usage

Ms K has been able to use the car while it was in her possession. And, while it was being repaired, she was also provided with a courtesy car to keep her mobile. Because of this, I think it's only fair that she pays for this usage.

However, given the issues with the car, and that they arose so soon after she acquired the car, including the steering issue, and the difficulties providing a suitable courtesy car, I'm satisfied that Ms K's usage and enjoyment of the car was impaired. Because of this, I think it's fair that Blue refund some of the payments Ms K made. And I think 20% of the payments made from the start of the agreement until 10 April 2025 (when the car was returned to her after repair) fairly reflects the impaired use caused by the car not being of a satisfactory quality.

Distress & Inconvenience

It's clear that Ms K was inconvenienced by having to arrange for the car to be repaired, and by this repair being unsuccessful. She quickly lost confidence in the car, and spent considerable effort discussing the issues with Blue and other involved parties. Ms K explained to Blue, and to this service, the impact this was having on her physical and mental health. None of this would have happened if Blue supplied Ms K with a car that was of a satisfactory quality. So, I think Blue should pay her £300 in compensation to reflect the distress and inconvenience caused.

Therefore, Blue should:

- end the agreement with nothing more to pay;
- collect the car at no cost to Ms K;
- remove any adverse entries relating to this agreement from Ms K's credit file;
- refund the equivalent of 20% of the monthly payments Ms K made as set out above;
- apply 8% simple yearly interest on the refund, calculated from the date Ms K made the payment to the date of the refund[†]; and
- pay Ms K an additional £300 to compensate her for the distress and inconvenience caused by being supplied with a car that wasn't of a satisfactory quality.

[†]If Blue considers that tax should be deducted from the interest element of my award, they should provide Ms K with a certificate showing how much they have 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 K's complaint about Blue Motor Finance Ltd and they are to follow my directions above.

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

Gordon Ramsay
Ombudsman