

## **The complaint**

Ms M complains that Oodle Financial Services Limited provided her with a car which was not of satisfactory quality and that it has not done enough to put things right.

## **What happened**

In October 2024 Ms M entered into a 45 month hire purchase agreement with Oodle for a used car. It was priced at £7,295 and had a recorded mileage of just under 100,000 miles. Ms M was to make an initial payment of £318.74, then 43 monthly payments of £268.74 and a final payment of £318.74.

Soon after Ms M took delivery of the car, she says it developed faults. The dealership inspected it and concluded that there was an oil leak from the turbo-charger. Repairs were completed at no cost to Ms M. However, she said that there was also a knocking sound from the engine, which she thought should be fixed. The dealership did not agree; it said that any noises coming from the engine were normal and not an indication of any fault.

Ms M refused to accept the return of the car. It has remained at the dealership since repairs were carried out in December 2024. Ms M also stopped making payments to Oodle, and arrears have accrued.

Ms M referred a complaint to this service. Our investigator initially recommended that Oodle refund one monthly payment, to recognise that Ms M had been without a car while repairs were carried out. Oodle thought that was unfair because Ms M had not made any payments for many months. It did however offer to reduce by the same amount any arrears owed on the account and to adjust the amount due when the hire purchase agreement came to an end. The investigator agreed that was fair.

Ms M did not agree, however. She said that, as the engine noise had not been addressed, she should be able to reject the car and end the hire purchase agreement with nothing further to pay.

Following further exchanges between the investigator and Ms M, she arranged for an independent inspection of the car. The dealership was reluctant to allow this. It noted that Ms M had arranged for a pre-inspection report; it said too that the car would have deteriorated over the eight months it had been idle, and it noted that the battery was by this time flat and not charging. Nevertheless, an inspection was arranged in September 2025.

It was not possible to start the engine during the inspection. The inspector noted that the engine would turn over but not start, and that the dashboard coil warning was flashing. Fault codes indicated a problem with the fuel pump control module. As the car had covered less than 600 miles since delivery to Ms M, the inspector concluded that the fault must have been present or developing at that point.

The investigator carried out a further review. She was not however persuaded that the inspector's conclusions were correct. She noted that his conclusions appeared to be based on the car's mileage and did not appear to take into account the fact that the car had not

been driven for some nine months. In addition, the fuel pump issue was not related to any engine noise, which was what Ms M had complained about.

Ms M did not accept the investigator's conclusions and asked that an ombudsman review the case.

### **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.

Under the Consumer Rights Act 2015 the hire purchase agreement was to be read as including a term that the car would be of satisfactory quality. That means the quality a reasonable person would expect in all the circumstances. Those circumstances include the car's age, price and mileage. This car was a high mileage, ten-year old vehicle which was priced accordingly. I think it was to be expected that it would need repairs at some point during the hire purchase period and that some of those repairs might be significant.

It is, however, not in dispute that the car was not of satisfactory quality, because it had an oil leak. It's not in dispute either that the leak was repaired.

Ms M says however that she identified a further issue – namely, excessive engine noise. In her initial assessment, the investigator explained why she was not persuaded that there was a further defect. There was insufficient evidence of it – in part at least because Ms M had not taken the car back after the oil leak had been repaired. I agree with that assessment; Ms M said there was a problem, but the dealership said that any engine noise was normal.

In order to address the lack of credible evidence, Ms M and Oodle agreed that the car should be the subject of an independent inspection. I can see that Ms M initially arranged what appears to be a pre-purchase inspection. The dealership would not let that inspection go ahead. I can understand its reluctance to do so. A pre-purchase inspection is likely to have concluded only that Ms M should not buy the car in its present condition; it would not have addressed the issue of engine noise, its cause and whether it was present a year ago. Even if Ms M had not given instructions for a pre-purchase inspection, it does appear that the inspector understood that to be his role.

The dealership also noted that it would be looking to Ms M to pay storage charges of £10 a day. I mention that by way of background only and make no comment on its right to do so.

When an inspection was completed, the resulting report concluded that faults were present at delivery. I acknowledge of course that the engineer who carried out the inspection and prepared the report based on it is fully qualified to carry out that role and express a view. There are, however, a number of issues which lead me to conclude that I cannot properly uphold Ms M's complaint in reliance on those findings. They are:

- It is not clear whether the inspecting engineer knew that the car had not been driven for nine months. The report includes a comment that the car had not been driven since it was returned to the dealer, but does not record when that was.
- The report does not discuss, either in general terms or specifically in relation to this car, the likely effect of remaining unused for a lengthy period. That is, it does not challenge what the dealership has said about, for example, corrosion and about deterioration of fuel and other liquids.
- The defect which the engineer identified was that the car would not start because of a problem with the fuel pump. But the issue about which Ms M was complaining was not that the car would not start; it was that it was noisy when it did start.

- The main reason for concluding that the (newly identified) fault was present at delivery was the very low mileage increase. But that was not placed in the context of a nine-month period of inactivity.

In my view, the inspection report is of limited value in helping me to decide whether the fault about which Ms M has complained was present even at the time of inspection. And I am afraid that it provides no assistance in showing whether it was present at the time of delivery. Overall, it does not persuade me that I should uphold this complaint.

I note that Oodle has agreed to make a deduction from any sums ultimately due when the hire purchase agreement comes to an end. I do not propose however to make an award requiring it to do that, not least because there are a number of possible ways in which the agreement might come to an end.

### **My final decision**

For these reasons, my final decision is that I do not uphold Ms M's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M to accept or reject my decision before 2 December 2025.

Mike Ingram

**Ombudsman**