

The complaint

Mr J complains about a car supplied to him using a hire purchase agreement taken out with Secure Trust Bank PLC trading as Moneyway ("Moneyway").

What happened

In September 2024, Mr J signed a hire purchase agreement with Moneyway to acquire a used car, which was collected in October 2024. The car was over seven years old, the cash price of the car recorded on the agreement was £8,940, the agreement was for a minimum of 60 months, made up of 59 regular, monthly repayments of £223.87, followed by a final payment of £233.87, which included a £10 option to purchase fee. The mileage recorded on the sales invoice for the car was 100,037 miles.

Within a few days of collecting the car, Mr J requested to reject it as he thought there were issues with it. Mr J said:

- Tyres on the car were deflated.
- A message appeared on the car's dashboard whilst driving which said that the door was open, when it was shut.
- The inside of the doors and frame were damaged.
- There were issues with the car's suspension.

Mr J said that the supplying dealership refused to take the car back.

In November 2024, an inspection by an independent third-party was carried out to the car. Among other things, the inspection found an issue with the car's alarm and immobiliser system, which they thought was present or developing at the point of supply. The independent engineer believed this was something that the supplying dealership should rectify.

Mr J explained to Moneyway that he didn't want the car repaired, and rather wished to reject it, as he had requested to do so within 30 days of collecting the car.

Mr J complained to Moneyway and in March 2025, he referred his complaint to our service.

In May 2025, Moneyway issued their final response to Mr J. In summary, they upheld Mr J's complaint as the independent inspection found there to be a fault with the car's alarm, which was present or developing at the point of supply. They thought that the supplying dealership was liable to rectify this issue. Moneyway explained that they didn't think there was an issue with the car's suspension or steering and didn't think the car's alarm system meant that Mr J could reject the car, as it didn't affect the roadworthiness of the car.

Mr J informed our service that he still wished to reject the car and that he had acquired another car since.

Our investigator issued their view and explained that they didn't uphold Mr J's complaint. The investigator thought that several of the issues Mr J experienced was due to the age of

the car and that it was used at the point of supply – and so thought they were wear and tear issues. And the investigator also relied on the findings made by the independent engineer who concluded that the issue with the alarm system would not prevent the car being considered fit for purpose or road legal. And so the investigator thought the car was of satisfactory quality when it was supplied.

Mr J disagreed with the investigator's findings and provided further information, including a diagnostics check carried out to the car at a cost of £39.95.

Our investigator issued a further view and explained the additional information didn't change his opinion.

As Mr J disagreed, the complaint was passed to me to decide.

I issued a provisional decision on 3 October 2025 where I explained why I intended to uphold Mr J's complaint. In that decision I said:

"I'm aware I have summarised events and comments made by both parties very briefly, in less detail than has been provided, largely in my own words. No discourtesy is intended by this. In addition, if there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is a fair outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as an alternative to the courts.

Mr J complains about a car supplied to him under a hire purchase agreement. Entering into consumer credit contracts such as this is a regulated activity, so I'm satisfied I can consider Mr J's complaint about Moneyway.

When considering what's fair and reasonable, I take into account relevant law and regulations. The Consumer Rights Act 2015 ("CRA") is relevant to this complaint. The CRA explains under a contract to supply goods, the supplier – Moneyway here – has a responsibility to make sure goods are of satisfactory quality. Satisfactory quality is what a reasonable person would expect – taking into account any relevant factors.

I would consider relevant factors here, amongst others, to include the car's age, price, mileage and description. So, it's important to note that the car Mr J acquired was used, over seven years old, had been driven around 100,000 miles and cost around £9,000. I think a reasonable person would accept that it would not be in the same condition as a new car and was likely to have some parts that are worn.

What I need to consider is whether the car was of satisfactory quality when it was supplied. And in order to do that, I first need to consider whether the car developed a fault.

Had the car developed a fault?

Mr J says he experienced several issues with the car. While I don't intend to consider each issue Mr J experienced in turn, it is worth noting that I also agree with our investigator in that some of the issues identified may well be aspects that fall under wear and tear, rather than aspects which can be considered a fault with the car. For example, from the limited information I have seen about the pressure of the car's tyres, I don't think this is a fault with the car. I also think some of the cosmetic damage identified is reasonable, considering the age of the car.

On the other hand, I considered the findings of the independent inspection report that was completed in November 2024 on the car. Within the report, it said:

"Then concerningly, during the test drive, when turning and or vehicle body roll evident, intermittently the dash warning message "Passenger door open-STOP" was activated several times, so we returned to site.

After noticing the door warning light on test, we checked all doors etc all firmly closed. I then closed driver's door setting the alarm to lock the doors. All doors locked but we heard a loud buzzing noise.

Pressing the alarm again to open doors – noise stopped.

The doors were locked just using the key no noise. Set the alarm again noise comes back. Suspect dash warning message and immobiliser linked and failing...

... we do believe that the sales agent should be responsible for investigation the issue with the alarm system and rectification the grounds that this was a developing issue at the point of sale."

Considering the above, and also as neither party has disputed there being a fault with the car, I'm satisfied that there is a fault with it. A warning appears on the car's dashboard alerting the driver to the passenger door being left open whilst driving when it hasn't been. And I have inferred from the engineer's comments above that the issue with the door is linked to the car's immobiliser and alarm system, which also has an abnormal buzzing noise when activated.

Was the car of satisfactory quality at the point of supply?

Moneyway believe the fault with the alarm system doesn't mean the car wasn't fit for purpose as it didn't impact its roadworthiness.

While I appreciate what Moneyway says here, alongside considering whether the goods supplied were fit for purpose, I also need to consider whether the goods supplied were free from defects, taking into consideration their state and condition. So, I need to consider whether the fault was present or developing at the point of supply and whether the fault meant the car wasn't of satisfactory quality.

When making my findings here, I'm mindful of a few things. Firstly, within a couple of days of being supplied the car, Mr J explained the issue he had with the car's passenger door. This is the same issue the independent engineer experienced when he inspected the car.

I'm also mindful that the independent engineer concluded that, "... the alarm system... was a developing issue at the point of sale."

Considering the fault presented itself shortly after the car was acquired, and the inspection report says they believed the fault to be a pre-existing condition, I'm satisfied the fault was likely present or developing at the point of supply. And so, it follows that I don't think the car was supplied of satisfactory quality.

Remedies under the CRA

I've gone on to think carefully about the remedies available to Mr J under the CRA.

I have seen a screenshot of a text conversation between the supplying dealership and Mr J. A message from the supplying dealership showed that within a couple of days of Mr J acquiring the car, they had, "a return request come through from the finance lender".

I have also seen contact notes that Moneyway has supplied which shows that Mr J asked to reject the car during a call on 24 October 2024.

Mr J was supplied the car on 12 October 2024. And so, the evidence above corroborates that Mr J asked to reject the car within 30 days of it being supplied to him.

Considering the above, I'm satisfied that Mr J should have been allowed to reject the car, as it was supplied of unsatisfactory quality, and that he wasn't required to allow the supplying dealership an opportunity of repair, as he had exercised his right within 30 days of the car being supplied.

In this instance, however, Mr J was declined being allowed to reject the car, which meant he had to keep it in his possession, and from my understanding, has had to continue to make payments towards the agreement. As I'm satisfied that Mr J should have been allowed to reject the car almost immediately after acquiring it, and relatively low mileage has been completed on the car (some of which was to have the car diagnosed), I'm satisfied that Mr J should receive all monthly repayments he has made towards the agreement up until when the car is collected and the agreement ends.

Mr J has also supplied a diagnostic completed on the car in August 2025. Considering this was commissioned to determine a fault with the car, I'm satisfied that Mr J should also be refunded the amount he has paid here.

Distress and inconvenience

It must have been frustrating for Mr J to have experienced the issues he had with the car, I am mindful from submissions made that Mr J has a young family, and I can appreciate how distressing it must have been for the car to alert the driver to an open door whilst it was in motion. Mr J has explained that he lost faith in the car and has now acquired another one. Considering the above, I think Moneyway should pay Mr J £300 for the distress and inconvenience caused by this complaint."

I set out that I intended to uphold this complaint. And I gave both parties the opportunity to send me any further information or comments they wanted me to consider before I issued my final decision.

Responses to the provisional decision

Mr J didn't respond to the provisional decision.

Moneyway responded and said they have nothing further to add to be considered.

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'm not persuaded to change my opinion from the provisional decision I made.

As Moneyway didn't have any further comments to make, and Mr J didn't respond, I see no reason to depart from what I said in my provisional decision.

In summary, I think Moneyway needs to do more in this instance to put things right.

My final decision

For the reasons I've explained, I uphold this complaint and I instruct Secure Trust Bank PLC trading as Moneyway to put things right by doing the following:

- End the agreement ensuring the customer is not liable for monthly rentals after the point of collection (it should refund any overpayment for these if applicable).
- Collect the car (if this has not been done already) without charging for collection.
- Reimburse Mr J all monthly repayments he has made up to when the agreement ends and the car is collected. *
- Pay Mr J £300 to reflect the distress and inconvenience caused.
- Reimburse Mr J £39.95, which was the cost of the diagnostic test completed on the car on 4 August 2025. This should be paid to Mr J on production of evidence to Moneyway to show that payment was made by him. *
- Remove any adverse information from Mr J's credit file in relation to the agreement, if any.

* These amounts should have 8% simple yearly interest added from the time of payment to the time of reimbursement. If Moneyway considers that it's required by HM Revenue & Customs to withhold income tax from the interest, it should tell Mr J how much it's taken off. It should also give Mr J a tax deduction certificate if they ask for one, so they can reclaim the tax from HM Revenue and Customs if appropriate.

If Moneyway has already given compensation in relation to this specific complaint, the final amount should be less the amount already given.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 17 November 2025.

Ronesh Amin
Ombudsman