DRN-5925156

The complaint

Miss B complains about the quality of a used car she acquired through a hire purchase agreement (HPA), financed by Oodle Financial Services Limited (Oodle).

What happened

In May 2025, Miss B acquired a used car for a cash price of £10,390. Miss B paid a cash deposit of £3,500, with the rest provided as credit through a HPA, financed by Oodle.

Within the first two weeks of Miss B having acquired the car, she complained to Oodle that the battery wasn't returning the milage per charge that she was assured it would at the time of the sale. Miss B said she wanted to reject the car.

Miss B took the car to a manufacturer dealership for a battery check to be carried out, but prior to this being done an inspection was completed which identified a number of issues she was told required attention, with the work being quoted as costing around £1,800. The report concluded:

- The 'Tyre – Spare tyre (Space Saver & Inflation Kit)' had expired.
- The 'Near Side Front shock absorber' was worn/leaking.
- The 'Aircon rad' had impact damage.

Miss B says because of the additional issues identified; she was advised not to proceed in paying for the battery check until after raising the issues found with Oodle.

In August 2025, Oodle sent Miss B their final response letter, but they didn't uphold her complaint.

Oodle said Miss B had been asked to obtain a fresh diagnostic but had instead chosen to have an MOT carried out on the car. And because the car had passed the MOT and been deemed roadworthy, they could not agree the concerns Miss B had raised were present or developing at the point of sale.

Miss B disagreed with Oodle's response, so she asked the Financial Ombudsman Service to investigate.

Miss B also let our service know she'd since been forced to sell the car, having brought another car and due to her complaint remaining unresolved and being unable to meet the monthly payments for both cars.

One of our Investigators looked into things and said she was satisfied Miss B had reported faults with the car within the first 30 days after the sale and that she'd provided evidence of those faults. She went on to say that because Oodle hadn't taken further action to prove the faults weren't present or developing at the point of sale, it could be assumed they were, so she didn't think the car was of satisfactory quality when it was supplied to Miss B.

To resolve the complaint, our Investigator said Oodle should refund for the period after 5 June 2025 until the date the agreement was settled, including her deposit minus any payment's she'd already received from the sale of the car. She also said Oodle should refund the cost of the MOT Miss B carried out, pay interest on any refunded amounts and pay a further £150 for the distress and inconvenience caused.

Oodle disagreed with our Investigator's opinion saying they didn't think the agreement should be unwound. And while Oodle said they could consider some of the redress set out by our Investigator, they said because the car had been sold to a third party and had not been returned to them, they didn't agree they should be refunding the deposit Miss B had paid.

Because an agreement couldn't be reached, this complaint has come 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.

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Having done so, I'm upholding this complaint and for much the same reasoning as our Investigator. I'll explain why.

But first, where evidence is incomplete or inconclusive (as some of it is here), I've reached my decision on the balance of probabilities, deciding what I consider most likely to have happened in light of the evidence that is available and the circumstances of this complaint as a whole.

As this complaint concerns the quality of goods, in this case a used car, supplied through a regulated HPA Miss B entered into, I'm satisfied this is a complaint we can consider.

In considering what's fair and reasonable, I need to have regard to the relevant law and regulations. The Consumer Rights Act 2015 (CRA) is relevant to this complaint. It says that under a contract to supply goods, there is a statutory right for the goods to be of satisfactory quality. It's important to say in this case, the CRA specifically states durability is an aspect considered when assessing if goods are of satisfactory quality.

To be considered satisfactory, the goods would need to meet the standard that a reasonable person would consider satisfactory – taking into account any description of the goods, the price and all other relevant factors.

Here, Miss B acquired a used car which had covered around 37,500 miles and cost £10,390.

So, I think a reasonable person would not have the same expectation of quality in comparison to a new model, but I still think they would expect the car to be free from any major defects and would expect trouble free motoring for both some time and distance.

From the information I've been provided I'm persuaded there was a fault with the car. It's apparent from the manufacturer dealership's inspection report that there were multiple issues, which I've set out in detail above, that required attention at a cost of around £1,800. So, having been satisfied the car had a fault, I'll now consider if it was of satisfactory quality at the time it was supplied to Miss B.

Satisfactory quality

My starting point is that the manufacturer dealership inspection report provided was completed following an inspection carried out only around two weeks after Miss B acquired the car.

Miss B was asked to carry out further diagnostic but instead took the car through an MOT around two months later and after the car had travelled only around a further 500 miles.

While the test deemed the car roadworthy at the time, the role of an MOT is not to comment on the overall quality of a car, nor is it to determine if the car was of satisfactory quality at a prior point in time, in this case the point of sale. But regardless of this, the MOT did identify some of the same issues the previous inspection report had flagged up.

However, the CRA implies that goods must confirm to contract within the first six months. So, where a fault is identified within the first six months, it's assumed the fault was present when the car was supplied, unless Oodle can show otherwise. So should Oodle not have been satisfied that the inspection report provided, showed that the car was unlikely to have been of satisfactory quality when it was sold just two weeks prior, they could've have instructed an independent inspection of the car themselves. I'm not persuaded it was reasonable, given the short time since she'd acquired the car, for them to have expected Miss B to arrange this.

Due to the car now having been sold, Oodle no longer have the opportunity to instruct a further inspection, so my decision is based on the information I have available and on what I think is fair and reasonable in the circumstances here.

As I've already said, Miss B has provided a quote she received following the inspection which says around £1,800 of work was required to replace the tyre inflation kit, fix the worn/leaking shock absorber and repair impact damage to the aircon radiator.

Oodle have shared comments from the broker which say the suspension wear is normal for a used car and the aircon radiator damage could have happened at any time given the duration Miss B had been in possession of the car.

I can't be certain, given the information available to me when the damage to the aircon radiator occurred. But on balance, Miss B was only in possession of the car for around two weeks, and I've seen nothing on the report provided to suggest there was exterior damage found, in keeping with a recent impact. In respect of the radiator damage, I'm persuaded it was more likely than not already present at the time of her acquiring it.

In respect of the shock absorber, while I understand a used car would be expected to have some wear and tear, ultimately, I'm not persuaded any reasonable person would expect to be met with such repair costs only around two weeks after acquiring a car given the car had only travelled less than 38,000 miles in its lifetime.

So, on balance, I'm satisfied Miss B established issues with the car within around two weeks of having acquired it. And I don't think it's reasonable for her to have expected to face such issues so soon after entering into the agreement. As such, I'm satisfied the car wasn't of satisfactory quality when it was supplied to Miss B.

I'll now set out what I think Oodle need to do to put things right.

Putting things right

As I've concluded Miss B was provided with a car that wasn't of satisfactory quality when it was supplied to her, it's fair Oodle put things right for her. As I've already explained, Miss B is no longer in possession of the car, but had she been I would have been satisfied she had the right to reject it.

Miss B sold the car as she'd acquired via a third party, and I understand that because of that, Oodle don't believe her deposit should be due back to her. I disagree, I'll explain why.

I'm satisfied it was reasonable for Miss B to have gone ahead and sold the car. She informed Oodle of the issues she found promptly and as I've explained they could have arranged for a further inspection themselves had they wanted another opinion – they didn't do this. Miss B acquired another car which she deemed to be of satisfactory quality and could not afford the repayments to two cars.

Miss B sold the car via a third-party auction from which the proceeds of the sale were paid to Oodle to clear the HPA, with the remaining funds paid directly to Miss B. Had the car been returned to Oodle it's more likely than not that it would have been sold at auction, with the proceeds of the sale again being used to pay off Miss B's HPA.

So, I think it's more likely than not things have ended up in not too dissimilar position here. Our Investigator explained Miss B should receive her deposit back minus the funds she already received back from the sale of the car, and I agree that is fair and reasonable in the circumstances here. I think Miss B should be put back into the position she would've been in had Oodle have accepted rejection, or in the circumstances now, as close to this as possible. I think the redress I'm setting out here does that.

I also don't think it's fair for Miss B to have paid for hire of the car when she hasn't been able to use it. Having looked at the testimony and evidence provided, I'm satisfied Miss B wasn't able to use the car after around a week of her having acquired it. So, I think Oodle should refund all rentals paid for the period between 5 June 2025 and the date the HPA was settled.

Miss B has provided evidence of costs she incurred to take the car through an MOT. Oodle should reimburse these costs.

Miss B has also explained how the issues she has experienced since being provided the car have caused her a great deal of distress and inconvenience, impacting her more as the issues have gone on. So, I think it's fair she is also compensated for this. And I think £150 in compensation is reasonable in the circumstances.

My final decision

My decision is that I uphold Miss B's complaint and instruct Oodle Financial Services Limited to:

- refund the deposit of £3,500 paid by Miss B minus the £749.73 she's already received from the sale of the car;
- refund Miss B the rental payments for the period between 5 June 2025 until the date the agreement was settled;
- refund Miss B £40 she paid to take the car through an MOT;
- pay interest at 8% simple per year on all payments refunded to Miss B from the date

of each payment until the date of settlement;

- remove any adverse information applied to Miss B's credit file in relation to the agreement.

- pay Miss B £150 in compensation for distress and inconvenience.

HM Revenue & Customs requires Oodle to deduct tax from the interest payment referred to above. Oodle must give Miss B a certificate showing how much tax it's deducted if she asks them for one.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 22 May 2026.

Sean Pyke-Milne
Ombudsman