

The complaint

Miss M is unhappy that a car supplied to her under a hire purchase agreement with Carmoola Limited was of an unsatisfactory quality.

What happened

In October 2024, Miss M was supplied with a used car through a hire purchase agreement with Carmoola. The agreement was for £10,975 over 60 months; with 49 monthly payments of £255 and a final payment of £256. At the time of supply, the car was just over eight years old and had done 62,130 miles (according to the MOT record for 13 September 2024).

The car broke down in December 2024 as the engine had failed. Carmoola arranged for this to be replaced at no cost to Miss M, and the car was returned to her on 4 March 2025. The following day Miss M complained of a strong smell of burning in the car, and Carmoola arranged for the car to be inspected by an independent engineer.

The engineer confirmed a smell was present and Carmoola arranged for repairs. Following Miss M bringing the matter to the Financial Ombudsman Service for investigation, they also reimbursed Miss M for repairs on a window washer fault and paid her compensation.

In May 2025, Miss M complained about further issues with the car – the coolant level was low and the engine wouldn't start. The independent engineer inspected the car again on 27 May 2025, when it had done 70,228 miles. While the engineer identified faults with the car, they said these hadn't been present when the car had been inspected previously. As such, they said these faults weren't present or developing when the car was supplied to Miss M, and they didn't make the car of an unsatisfactory quality at the point of supply.

Our investigator considered this report and didn't uphold the complaint – there was no evidence that the current faults existed when the car was supplied to Miss M, and the investigator didn't think she would've been able to drive around 8,000 miles if they did.

Miss M didn't agree with the investigator's opinion, so this matter has been 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.

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. Miss M was supplied with a car under a hire purchase agreement. This is a regulated consumer credit agreement which means we're able to investigate complaints about it.

The Consumer Rights Act 2015 ('CRA') says, amongst other things, that the car should've been of a satisfactory quality when supplied. And if it wasn't, as the supplier of goods, Carmoola are responsible. What's satisfactory is determined by things such as what a reasonable person would consider satisfactory given the price, description, and other relevant circumstances. In a case like this, this would include things like the age and mileage at the time of sale, and the vehicle's history.

The CRA also implies that goods must conform 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 Carmoola can show otherwise. So, if I thought the car was faulty when Miss M took possession of it, and this made the car not of a satisfactory quality, it'd be fair and reasonable to ask Carmoola to put this right.

While it's not disputed that Miss M had problems with the car after it was supplied to her, and this resulted in the engine being replaced, these matters have already been dealt with by the Financial Ombudsman Service under a separate reference number. As resolution to this complaint, Miss M accepted repair and compensation for all issues that occurred with the car between when it was returned to her after the engine replacement and the failure of the window washers.

As this complaint has been resolved, I will not be reconsidering any of these issues within this decision. Instead, I will only be considering the issues that occurred after this i.e. the issue with the low coolant levels and the engine not starting.

I've seen a copy of the independent engineer's report, dated 27 May 2025. I've noted the engineer also confirmed their duty is to the courts, not to the person who instructed or paid for the report. As such, I'm satisfied this report is reasonable to rely upon.

While the engineer has confirmed there are current issues with the car, as these issues weren't present on the previous occasions the engineer inspected the car, they concluded the issues weren't present or developing when the car was supplied to Miss M. What's more, Miss M hasn't provided anything, for example a report from a different independent engineer or from an independent garage, that shows the current issues with the car were as a result of something that was present or developing when it was supplied to her.

For completeness, I've also considered the age and mileage of the car, and the amount of miles Miss M was able to drive before the current faults occurred. When doing so, I'm satisfied that, had these faults been present when the car was supplied, Miss M wouldn't have been able to drive around 8,000 miles.

As such, and while I appreciate this will come as a disappointment to Miss M, I'm satisfied the current issues with the car aren't the responsibility of Carmoola, and I won't be asking them to do anything more.

My final decision

For the reasons explained, I don't uphold Miss M's complaint about Carmoola Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 24 February 2026.

Andrew Burford
Ombudsman