

The complaint

Ms W's complaint relates to problems she had with a car supplied to her by Marsh Finance Limited under a hire-purchase agreement.

What happened

Ms W entered into a hire-purchase agreement with Marsh Finance so she could get a car. The car was a little under ten years old at the time, with a cash price of £8,694. At the time the car had covered around 89,000 miles. Ms W also took out a maintenance warranty with a third party, though this was not part of the hire-purchase arrangements.

Unfortunately, shortly after Ms W took delivery of the car in August 2024, it broke down due to a problem with the battery. She says she was unable to use the car for a month. After replacing the battery, in January 2025 Ms W experienced a problem with the car's exhaust, necessitating repair. As I understand it, the company that assisted Ms W with arranging her car finance made a payment towards the cost of this repair.

But in March 2025 Ms W reported further problems due to the car overheating, with a diagnosis of a faulty water pump. Ms W was unhappy with the position and at being told these matters weren't covered by the warranty she'd taken out. She queried matters with Marsh Finance. She felt the car was defective and referenced the other problems with the vehicle. Ms W sought to return the car, have the hire-purchase cancelled and Marsh Finance to reimburse her.

Marsh Finance didn't agree with Ms W's complaint. It said Ms W hadn't demonstrated that the issues she'd reported were present when the car was supplied. Marsh Finance said it would review the position if Ms W provided an independent engineer's report to support her claim, and informed her of her right to refer matters to us if she was dissatisfied. By that point Ms W had already contacted us about her complaint and it was considered by an investigator.

Our investigator wasn't minded to recommend upholding Ms W's complaint. She wasn't persuaded that the faults Ms W had reported amounted to a failure to supply a car of satisfactory quality as required under the Consumer Rights Act 2015 ("CRA"). The investigator noted the mileage covered by the car in the months since Ms W had taken possession, which suggested she'd had reasonable use of it, before the issue with the water pump arose. The MOT history from January 2024 indicated a low coolant level, and the other repairs did show there'd been problems with the car. But the investigator didn't feel that Ms W had demonstrated this was the cause of the current failure, or that these were unusual given the car's age and mileage.

Ms W didn't accept the investigator's conclusions, so the matter has been passed to me for review and determination.

I understand that while the complaint has been with us Ms W has exercised voluntary surrender of the car to Marsh Finance, and that it has been sold, though there remains an outstanding balance for Ms W to pay. Ms W did raise concerns over the way Marsh Finance

handled the voluntary surrender. These concerns have been dealt with separately by one of my ombudsman colleagues and I don't propose to comment further here on the voluntary surrender process.

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 appreciate I'm going to disappoint Ms W again when I say that I'm not upholding her complaint. I don't doubt her sincerity in bringing it, and I acknowledge that there were clearly issues with the car that caused her frustration and upset. Ms W's complaint correspondence references several aspects of her interactions with the dealer, the warranty provider, and her credit broker that left her dissatisfied. Be that as it may, my role here is to consider the way in which Marsh Finance dealt with her claim over the car it supplied under the hire-purchase agreement.

As the supplier of the car, Marsh Finance carries obligations that arise from provisions in the CRA. As our investigator set out, one of those obligations – and the key one in the context of this complaint – is that the effect of the CRA is to incorporate into the hire-purchase agreement a term that the car will be of satisfactory quality.

According to the CRA explanatory notes, *“the test of whether or not the quality of the goods is satisfactory is determined by what a reasonable person would consider satisfactory for the goods in question, taking into consideration all relevant circumstances including any description, the price and any public statements by the trader or producer or their representatives, such as statements made in advertisements or on the labels of goods.”*

Assessment of quality is an objective test. It isn't enough that a customer is dissatisfied with a car. Under the CRA, the quality of goods includes their state and condition and includes aspects such as appearance and finish, freedom from minor defects, safety and durability.

There's no question here that the car supplied to Ms W required work. But it doesn't automatically follow that because a number of items need attention or replacing on a car, the car itself is not of satisfactory quality as defined in the CRA.

I sympathise with Ms W, who I don't doubt faced having to pay out a good deal of money on work that needed doing to the car. But buying a used vehicle carries inherent risks when compared to buying new – even if it has a full service history, there is no guarantee of the way in which previous keepers have driven the vehicle. And any mechanical vehicle will over time need replacement parts. A person acquiring a car at this stage of its life can't reasonably expect that they won't need to spend money on fixing things that might go wrong.

Based on the information Ms W's supplied, much of the work that needed doing on the car seems to fall into the sort of expenditure one might reasonably expect to have to undertake on a car approaching ten years old, priced as it was, that had covered nearly 90,000 miles. The fact the car needed a new exhaust, possibly replacement tyres and a battery, for example, is not unsurprising.

There's nothing to suggest the dealer gave an undertaking to replace these items before Ms W took delivery of the car or that, for instance, it was described as not needing new tyres. Nor is it apparent that items such as the tyres or battery were recently replaced and failed prematurely.

It's further possible that the water pump problem was down to wear and tear from age, rather than being inherently defective. As the investigator noted, the anticipated lifespan of that part had already been reached. So even if Ms W was able to demonstrate that the issue was present at the point the car was supplied to her, as the CRA requires, it doesn't automatically follow that it would be considered to be a fault not commensurate with the car's age, price and mileage.

Taking all of this into account, I don't think Marsh Finance has treated Ms W unfairly by declining to accept all of the problems she mentioned as evidence the car was not of satisfactory quality. It follows that it doesn't need to take any further action in resolution of her complaint.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms W to accept or reject my decision before 23 February 2026.

Niall Taylor
Ombudsman