

The complaint

Mr W complains that a car supplied to him under a hire purchase agreement with STARTLINE MOTOR FINANCE LIMITED was of unsatisfactory quality.

What happened

In April 2024, Mr W entered into a hire purchase agreement with STARTLINE MOTOR FINANCE LIMITED (SMF) to acquire a used car. The car was around six years old with a mileage of around 33,410 noted on the handover checklist. The cash price of the car was £23,841.00. The total amount payable on the agreement was £39,872.20, payable over 59 monthly payments of £664.37 followed by a final payment of £674.37.

Mr W explained he'd encountered a few issues with the vehicle very early on, particularly in relation to a crack in the windscreen alongside the air conditioning and heated seat functions not working correctly.

As he could not get them resolved with the dealership, Mr W raised these issues in a complaint to SMF. In its final response to the complaint SMF did not uphold it. It said a pre-sale report showed no windscreen crack or electrical fault and that the vehicle passed an MOT with no advisories in October 2024 after being driven for over 6,000 miles by Mr W. As such SMF did not feel the issues were present at the point of sale.

As he was unhappy with this response, Mr W brought his complaint where it was passed to one of our investigators. The investigator upheld the complaint. Originally the investigator explained that the fair outcome would be to cover repairs to the windscreen, heated seats and air conditioning. On review, the investigator explained the repair to the windscreen would not be the responsibility of SMF as the disputed damage had been pointed out to Mr W on collection of the vehicle and he proceeded to acquire it. The investigator was still of the opinion SMF should cover the other repairs noted and refund Mr W a percentage of his monthly payments made.

SMF disagreed with the outcome, whilst Mr W agreed. As such, I've been asked to review the complaint to make a final decision.

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.

This includes relevant laws, regulations and where appropriate, best practices. I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach my decision.

Mr W acquired a car under a personal contract purchase agreement. Entering into consumer credit contracts like this is a regulated activity, so I'm satisfied we can consider Mr W's complaint about SMF. SMF is also the supplier of the goods under this type of agreement meaning they are responsible for a complaint about the supply of the car and its quality. The Consumer Rights Act 2015 (CRA) is relevant in this case. It says that under a contract to supply goods, there is an implied term that "the quality of the goods is satisfactory, fit for purpose and as described". To be considered as satisfactory, the CRA says the goods need to meet the standard that a reasonable person would consider satisfactory, considering any description of the goods, the price and all the other relevant circumstances. The CRA also says that durability can be an indicator of satisfactory quality.

So, it seems likely that in a case involving a car, the other relevant circumstances a court would consider might include things like the age and mileage at the time of sale and the vehicle's history.

In this case, Mr W acquired a car that around six years old and had travelled around 33,410 miles. As this was a used car with this mileage and age, it's reasonable to expect parts may already have suffered more wear and tear when compared to a new car or one that is less travelled. There's a greater risk this car might need repair and/or maintenance sooner than a car which wasn't as road-worn.

I've reviewed the available evidence about the issues Mr W experienced with the car. Based on what I've seen, I'm satisfied that there were faults with the air-conditioning and heated seats. I say this because neither SMF nor Mr W dispute the faults exist, and I've seen SMF are willing to cover the heated seats already. I've also seen information investigating issues with the air conditioning and heated seats. Having considered the car had a fault, I've considered whether it was of satisfactory quality at the time of supply.

As responsibility for the repair to the heated seats is not in dispute, I will not go into detail on this point but instead I'll focus on the air-conditioning and windscreen damage. I can see Mr W reported the issues very early on after starting the agreement, and in relation to the windscreen, Mr W has confirmed he was in discussions about the issue prior to taking the car away.

I understand SMF's position around the windscreen crack not appearing on the pre inspection check carried out by an independent party, which was dated around six weeks prior to the sale to Mr W. This led SMF to believe the damage could not have been there pre-sale. However, it also seems plausible that something could've happened to the windscreen in that time, and I'm persuaded that this may well have happened when viewed in line with Mr W's testimony, particularly in light of what he's said around being made aware of the damage prior to driving the vehicle away.

I appreciate why Mr W would've thought this could have been covered for him, however, it appears he was made aware of the damage prior to the sale, and proceeded with the purchase regardless, meaning the crack does not make the vehicle of unsatisfactory quality because it was drawn to his attention as laid out by the CRA. This means I won't be directing SMF to cover the cost of the windscreen repair.

SMF also rely on the independent check around six weeks prior to sale to explain that the air conditioning system was noted as functioning, and due to Mr W complaining about it to them after a significant amount of time had passed, believe there isn't enough to show there was likely an issue at the point of sale. The check does note the air-conditioning operation as a pass, but we have no further information about how this was measured, whether the temperature was sufficiently cool, or any other substantial information about how this passed the check.

We do have Mr W's testimony about the situation, his communication with the dealership the day after acquiring the vehicle in which he complains about the air-conditioning, and a diagnostic showing that the air-conditioning system was not functioning. The information I have persuades me that there was an issue with the air-conditioning system, and it likely was present or developing at the point of sale due to the information outlined. Because of this, I'm also persuaded that the vehicle was not of satisfactory quality when it was supplied. I've seen no information that persuades me otherwise, including SMF's response to the investigator's outcome in which they disagreed and raised further points.

Putting things right

As I've concluded that the car was not of satisfactory quality when it was supplied, I think it's reasonable that SMF should put things right.

In this case, I think repair is a fair resolution here. I can see that SMF have accepted the cost of the repair to the heated seats will be covered by them and this is fair to do so. Alongside this, SMF should reimburse the evidenced cost Mr W paid to diagnose and repair the air-conditioning fault.

Mr W was using his vehicle without functioning air-conditioning and heated seats. As such, he will have experienced impaired usage of the vehicle during this time and will have impacted his enjoyment of it. I agree with the investigator that a 5% refund of premiums paid from the start of the agreement to the date the air-conditioning was fixed is fair to compensate for this. As two elements of the vehicle that could be considered quality of life aspects were not working correctly, I'm persuaded this fairly reflects the impact. I note the heated seats were not repaired; however, I would not recommend a further reimbursement for just these alone.

Alongside this practical impact, Mr W has explained how the whole situation has affected him personally. I agree with the investigator that it would be fair for SMF to pay Mr W £150 to reflect the distress and inconvenience caused to him as a result of the car not being of satisfactory quality. I say this Mr W has had to arrange diagnostics and have the car repaired, taking time out and suffering concern over the financial implications of the vehicle.

My final decision

For the reasons explained, I uphold Mr W's complaint and instruct STARTLINE MOTOR FINANCE LIMITED to do the following:

- Cover the costs of the repairs as outlined above.
- Pay a refund of monthly payments as outlined above.
- Pay 8% simple yearly interest* on the above, to be calculated from when Mr W made the payments to the date of the refund.
- Pay £150 for the distress and inconvenience caused as outlined above.
- Remove any adverse information about the agreement from Mr W's credit file if applicable.

*HM Revenue & Customs requires STARTLINE MOTOR FINANCE LIMITED to deduct tax from the interest amount. STARTLINE MOTOR FINANCE LIMITED should give Mr W a certificate showing how much tax it has deducted if he asks for one. Mr W can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 31 December 2025.

Jack Evans
Ombudsman