DRN-5947720

The complaint

Miss W is unhappy that a car supplied to her under a hire purchase agreement with Startline Motor Finance Limited (Startline) was of an unsatisfactory quality.

When I refer to what Miss W has said and what Startline have said, it should also be taken to include things said on their behalf.

What happened

Miss W was supplied a car by Startline on 8 February 2024 under a hire purchase agreement. The car was approximately three years old and had travelled 27,576 miles at the time of supply. The cash price of the car was £14,198 and Miss W paid a £2,000 deposit. This was followed by 59 monthly payments of £317.25 and a final payment of £327.25

Miss W states that around May 2024 she started having to top up the car regularly with oil and has provided receipts to show purchases of oil around that time.

Miss W also experienced multiple breakdowns due to diagnosed oil and coolant leaks. She has also had to pay for several repairs including to the turbo system. I will cover the pertinent information in my decision below but I have considered all the information on the file in coming to my decision.

In January 2025 the car experienced further coolant loss and had to be recovered. Miss W was advised by the breakdown company to continue to drive. This led to a catastrophic failure and ultimately a quote of c£2,000 due to a failed head gasket. This was subsequently repaired.

Miss W has raised her complaint with Startline and she has been in an ongoing dialogue with not only them but repairing garages and recovery services.

On 8 January 2025 Startline issued their final response. They did not uphold Miss W's complaint citing an expert examination of the car that concluded there was no evidence to suggest that the faults identified were present or developing at the point of supply.

As Miss W did not agree she made a complaint to us.

On 23 September 2025 I issued a provisional decision upholding Miss W's complaint. The rationale for upholding the complaint is as follows:

Miss W was supplied with a vehicle under a hire purchase agreement. This is a regulated consumer credit agreement which means we are able to investigate complaints about it.

The Consumer Rights Act 2015 (CRA) is of particular relevance to this complaint. It says that under a contract to supply goods, there is an implied term that "the quality of the goods is satisfactory". The CRA says the quality of goods is satisfactory if they meet the standard that a reasonable person would consider satisfactory taking into account any description of the goods, the price and all the other relevant circumstances. So it seems likely that in a case

involving a vehicle, the other relevant circumstances a court would take into account might include things like the age and mileage at the time of sale and the vehicle's history.

The CRA says the quality of the goods includes their general state and condition and other things like their fitness for purpose, appearance and finish, freedom from minor defects, safety, and durability. Where goods are second hand, as in this case, due regard must be had to the price, age and any description applied to the vehicle.

So, if I thought the vehicle was faulty or not fit for purpose when Miss W took possession of it and this made the vehicle not of a satisfactory quality, it'd be fair and reasonable to ask Startline to put this right.

The CRA sets out some key dates post contract with regards the burden of proof in relation to the goods being of unsatisfactory quality. The CRA gives the consumer the automatic right to reject if the goods are not of satisfactory quality and that fault is discovered within 30 days. After that period but before six months the burden of proof is on the business to show that the faults were not present at supply and the goods are of satisfactory quality. After six months the burden of proof then resides with the consumer.

The first thing I need to say is that this is a complex case and it has not been straight forward for me to come to a conclusion. In addition to Miss W's relationship with Startline I have to consider the role of the repairing garage and the recovery service.

The starting point for me to consider is whether there is a fault with the car that would make the car of unsatisfactory quality. If there is then in deciding what Startline needs to do to put it right, I need to consider whether Miss W has acted reasonably in dealing with the fault.

There is a lot of evidence in the file but in terms of deciding whether there is a fault I have mainly considered the following evidence:

- *Five receipts for oil from 11 June 2024 to 14 November 2024 that shows there was excessive use of oil by the car.*
- *Various breakdown recoveries the earliest being 4 December 2025.*
- *A receipt for work on the Turbo for £989.41 when the car had travelled 37810 miles.*
- *A receipt for investigation of an oil leak for £163.32 when the car had travelled 38348.*
- *An estimate for repairing the head gasket for £2,343.02 dated 7 February 2025, with the repair subsequently carried out 40,183.*

On the balance of probabilities, I am content that there is a fault with the car, but this does not necessarily lead to it being of unsatisfactory quality. Miss W was supplied with a car that was approximately three years old and had travelled 27,576 miles at the time. That means that there would be reasonable wear and tear commensurate with that mileage. That said the mileage of 27,576 is reasonably low and a properly maintained car should be relatively free of major defects.

Two issues are key to my considerations. The first is when the fault first manifested itself given the timescales set out in the CRA. The second is whether the nature of the faults mean that they were present or developing at the time of supply – this does include questions of durability.

In reference to where the burden of proof lies the CRA states "goods which do not conform to the contract at any time within the period of six months beginning with the day on which the goods were delivered to the consumer must be taken not to have conformed to it on that day."

Miss W took possession of the car on 8 February 2024 meaning that this six month period ended on 8 August 2024. Miss W states that she first started experiencing faults with the car in May with the car requiring excessive oil top ups and there are two receipts, 11 June and 8 August 2024, that support this fault had manifested itself within the first six months – albeit that Miss W did not raise it with the supplying garage until the six month period had passed. From the evidence on the file the first call was on 14 November 2024.

Our investigator in their decision considered that a head gasket should last for over 100,000 miles. Startline in their response to the investigator's decision challenged where the investigator had got this evidence from. Whilst there may be many reasons why a head gasket may fail prematurely, I have looked at many websites and the general consensus is that a properly maintained car should see the head gasket last anywhere between 100,000 miles and the life of the car. So, I am content that, all things being equal, a head gasket should last longer than the 40,183 miles it did.

There is an expert inspection report carried out on 20 December 2024, when the car had travelled 38,534 miles. This report concluded that there was no sign of contamination in the coolant level and that the faults are consistent with fair wear and tear. With the evidence available at the time the seller could not be held liable for the repairs. Our investigator, whilst noting that contents of the report, felt that as the inspection had taken place only three days after the repair/service it was unlikely that the inspection would have found issues with contamination in the coolant. I also note that this inspection took place prior to the issues with the head gasket coming to light.

In terms of the problems with the head gasket I am aware that Miss W did complain to a specialist automotive ADR provider relating to the services undertaken on her car by the servicing garage. I have seen the decision from this ADR body who considered all the various services undertaken on Miss W's car and specifically whether the garage that undertook the repairs and services on Miss W's car had missed the issue with the head gasket. In coming to their conclusion, they noted that it was often difficult to diagnose a fault with a head gasket but her car "was suffering from an underlying head gasket issue".

Startline in their response have highlighted the potential for diver error. There are two factors. One is that Miss W drove the car whilst it had a known issue with the oil. Specifically, they highlighted the fact that the invoice dated 6 December 2024 the garage noted that the car had to come back for further checks. Miss W did not take the car back until 17 December 2024 during which time the car had travelled 538 miles. In relation to this the servicing garage clearly did not think the checks were serious enough that Miss W could not drive the car. Whilst it would have been best to undertake those checks straight away I do not feel that taking 11 days and travelling 538 miles before getting the car checked is that unreasonable.

The second issue about driving with low coolant is, in my view, stronger evidence of driver error. Driving on low coolant can clearly be a causal issue in over heating and ultimately damaging the head gasket. I need to consider whether Miss W's actions were reasonable. Prior to the failure of the head gasket Miss W did take the car to the garage on several occasions and at no point was she advised not to drive the car. I can see that Miss W contacted the recovery service on 28 January 2025 and she followed their advice to drive the car to the garage. It is during this journey that a catastrophic failure occurred. If I find that Miss W only contacted the breakdown service because of an inherent fault that made the car of unsatisfactory quality then it is reasonable that she followed their advice, and she cannot be held liable if in following that advice further damage was done.

As I said earlier this is a difficult case to judge and there are arguments on either side as to whether the faults on the car make it of unsatisfactory quality. On the balance of

probabilities, I feel that the faults on the car do make it of unsatisfactory quality. My reasoning is that the fact that Miss W has produced receipts for excessive oil consumption within the first six months is indicative of a fault either being present or developing, a head gasket failing after 40,183 miles is premature, the conclusion of the ADR provider who specifically looked at the service element and the fact that the expert report took place so soon after the car was serviced and does not cover the issue with the head gasket.

So, my provisional decision is that I am upholding this complaint.

I now need to consider what Starline need to do to put the matter right.

My normal starting point would be giving Startline a chance to repair the car. However, given that Miss W has already paid two independent garages to attempt to rectify the faults and she first contacted the supplying garage on 14 November 2024 I don't think this would be a fair resolution. I note that Miss W has asked that can she either reject the car or be provided with a replacement. Whilst a replacement car may prove to be a suitable solution for both parties it is not something I can insist on, so my decision is that the agreement should be unwound. This means the car being collected with nothing further to pay by Miss W.

In terms of any payments due to Miss W in addition to unwinding the agreement. It is only fair that Miss W should be refunded her payments for the time that the car has been off the road. I note that Miss W has asked to be refunded payments for when she had had to hire a car but I do not feel that this would be fair. My understanding is that in addition to the periods covered by the investigators decision the car has been off the road since 6 June 2025.

Miss W should be refunded all payments that she has made in relation to trying to rectify the fault.

Also, the cost of the expert report should be refunded.

Miss W has been put to some inconvenience and distress because of the fault and this should be recognised. I believe that a figure of £150 is reasonable and consistent with other similar cases.

<u>Putting things right</u>

I provisionally uphold Miss W's complaint against Startline and to put things right they need to:

- *End the agreement without anything further to pay by Miss W,*
- *Collect the car without any cost to Miss W,*
- *Refund payments for periods 29 November 2024 to 5 December 2024, 28 January 2025 to 25 February 2025 and from 6 June 2025*
- *Pay to Miss W on production of receipts the amounts that she has paid for repairs namely to the turbo (£989.41), investigate the oil leak (£163.32) and repair the head gasket (£2,389.53 the total invoice less the MOT)*
- *Pay 8% simple interest per year on all refunds from the date of payment to the date of settlement*
- *Pay £150 for the distress caused to Miss W*

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.

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 W contacted us on 24 September 2025 to inform us that she accepted the provisional decision but she subsequently raised some queries. These were:

- My decisions did not take account of the deposit she had paid of £1,800,
- As the contract was being unwound she questioned whether she should be receiving all her monthly payments back,
- I had refunded her payments for two periods when the car was off the road and she felt there were three occasions when the car was off the road,
- There was a scratch at the back of the car and she asked whether she would be asked to pay for that,
- That the car has been undriveable since 27 May 2025.

In answer to Miss W's points.

She is correct my provisional decision did not take into account her deposit when it should have done. I can see from the records that she made two payments one of £200 by Truelayer on 7 February 2024 and one by bank transfer of £1,800 on 8 February 2024. This brings her total deposit to £2,000 and as the contract is being unwound, she should be entitled to that being refunded.

As for getting all her payments back and the damage to the car the CRA is clear that in exercising any right to reject deductions can be made for the use of the car. This means that Miss W should pay both for the time that the car was on the road and any damage caused when it was under her ownership.

Miss W states that she believes the car was off the road on three occasions. I have checked the file and can only find two definitive times when the car was confirmed as being off the road, namely 29 November 2024 to 5 December 2024, 28 January 2025 to 25 February 2025. Whilst I can see an invoice dated 17 December 2024 there is no evidence that the car was off the road for longer than that one day whilst it was being examined. However, I am prepared to accept Miss W's statement that the car has been undriveable since 27 May 2025 not 6 June 2025 as set out in my original decision.

Also, the cost of the expert report should be refunded.

On 14 October 2025 Startline contacted us to accept the decision but said the car had yet to be examined, so they could not confirm what the final settlement figure should be. On 20 October 2025 they contacted us to report that the car was damaged as follows:

- Scuffed alloy wheels
- Grill on offside front
- Offside front bumper scuff
- Nearside rear bumper scuff
- Offside wing mirror scratched

On 23 October 2025 Startline sent through a damage estimate of £1,305.74. I believe that this represents a reasonable figure for repairing the damage and it is fair to deduct this amount from the final settlement.

My decision is that I still uphold the complaint and this has been accepted by both parties. My final decision as to what Startline need to do to put things right has been amended in light of the above

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Putting things right

I uphold Miss W's complaint against Startline and to put things right they need to:

- End the agreement without anything further to pay by Miss W,
- Collect the car without any cost to Miss W (if they haven't already done so),
- Refund payments for periods 29 November 2024 to 5 December 2024, 28 January 2025 to 25 February 2025 and from 27 May 2025
- Refund Miss W her £2,000 deposit
- Pay to Miss W on production of receipts the amounts that she has paid for repairs namely to the turbo (£989.41), investigate the oil leak (£163.32), repair the head gasket (£2,389.53 the total invoice less the MOT) and the cost of the expert report
- Deduct from any amount owing to Miss W a sum of £1,305.74 to cover the cost of repairing the car
- Pay 8% simple interest per year on all refunds from the date of payment to the date of settlement
- Pay £150 for the distress caused to Miss W
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My final decision

My decision is that I do uphold this case against Startline Motor Finance Limited. In order to settle this case they are directed to follow the redress above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss W to accept or reject my decision before 16 December 2025.

Leon Livermore
Ombudsman