

The complaint

Mr M complains about the quality of a car he acquired under a hire purchase agreement with STARTLINE MOTOR FINANCE LIMITED (Startline).

When I refer to what Mr M and/or Startline have said or did, it should also be taken to include things said or done on their behalf.

What happened

In July 2024, Mr M entered into a hire purchase agreement with Startline to acquire a car first registered in September 2016. At the time of acquisition, the car had travelled around 98,625 miles. The cash price of the car was around £12,999. The total amount payable was £18,702.64. There were 47 consecutive monthly payments each £389.43 followed by one final payment of £399.43.

Mr M states the car he acquired with Startline was not of satisfactory quality, fit for purpose, or as described under the Consumer Rights Act 2015. Despite multiple repair attempts, faults persisted, causing financial loss, distress, and affected his credit file.

Mr M said that serious defects appeared immediately after collection. These included multiple breakdowns between July 2024 and April 2025, resulting from engine failure, overheating, and safety system faults. He said the supply dealership provided incorrect legal advice on DVLA requirements and suggested using a “friendly” MOT station. He said he Voluntary Surrendered (VS) the agreement but delays and disputes caused him further harm.

Mr M feels that he has suffered a total of £4,369 loss between repairs, fuel, inspections, insurance, finance payments, deposit, plus compensation for the distress he suffered along with impact this had on his credit file. He feels he should be able to reject the car, receive reimbursement of £4,369, his credit file should be amended, and he should receive compensation for distress and inconvenience caused. He also feels that there should be an investigation into the supply dealer, broker, and finance provider.

Towards the end of January 2025, Startline wrote to Mr M to address his complaint. They said the initial repairs were agreed on 29 October 2024. Startline said Mr M provided them with a report on 21 November 2024 confirming the mechanical faults on the car, but that at the beginning of January 2025 Mr M came to an agreement to have the car repaired. And Mr M was provided with a courtesy car during the repair period. Startline said that due to the length of time the car was in and out of the garage for various repairs, they have agreed to reduce the arrears on Mr M's agreement by £750 and removed £54 of fees. In addition, they have said they have amended his credit file.

Later in May 2025, Startline wrote to Mr M. In this correspondence they said that an independent report they commissioned found that the faults identified were present at the point of sale except for issues with the air conditioning, which would need further investigation. However, Startline agreed that as a gesture of goodwill Mr M could have the air conditioning re-gassed at no cost to him.

As Mr M remained unhappy, he decided to Voluntary Surrender the car to be sold at an auction with the sale proceeds to be applied to the finance agreement with him being responsible for any shortfall that may be applicable. He also referred his complaint to the Financial Ombudsman Service (Financial Ombudsman).

Our investigator was of the opinion that the complaint should not be upheld. The investigator did not think that Startline have done anything wrong.

Mr M disagreed with the investigator. So, the complaint 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.

Where evidence is unclear or in dispute, I reach my findings on the balance of probabilities – which is to say, what I consider most likely to have happened based on the evidence available and the surrounding circumstances.

In considering what is fair and reasonable, I need to take into account the relevant rules, guidance, good industry practice, the law and, where appropriate, what would be considered good industry practice at the relevant time. Mr M acquired the car under a hire purchase agreement, which is a regulated consumer credit agreement. Our service can look at these sorts of agreements. Startline is the supplier of goods under this type of agreement and is responsible for dealing with complaints about their quality.

I have summarised this complaint very briefly, in less detail than has been provided, and largely in my own words. No discourtesy is intended by this. If there is something I have not mentioned, I have not ignored it. I have not commented on every individual detail. But I have focussed on those that are central to me reaching, what I think is, the right outcome. This reflects the informal nature of the Financial Ombudsman as a free alternative to the courts.

I know that Mr M is unhappy about certain actions/inactions of the supply dealership/broker and for some of these Startline might be responsible for, such as for example what was said or done during the antecedent negotiations before Mr M entered the finance agreement. However, I can only consider actions/inactions of Startline and only the aspects they are responsible for, and I cannot look at certain actions and/or inactions of the dealership or broker or the manufacturer which Mr M might be unhappy about. So, in this decision I only focused on the aspects I can look into; And I am only looking at the events that have been raised by Mr M with Startline, the ones they had an opportunity to address after he raised his complaint.

The Consumer Rights Act 2015 (CRA) covers agreements such as the one Mr M entered into. Under this agreement, there is an implied term that the goods supplied will be of satisfactory quality. The CRA says that goods will be considered of satisfactory quality where they meet the standard that a reasonable person would consider satisfactory – taking into account the description of the goods, the price paid, and other relevant circumstances. I think in this case those relevant circumstances include, but are not limited to, the age and mileage of the car and the cash price. The CRA says the quality of the goods includes their general state and condition, as well as other things like their fitness for purpose, appearance and finish, freedom from minor defects, safety, and durability.

In Mr M's case the car was used, with a cash price of around £12,999. It had covered around 98,625 miles and was almost eight years old when he acquired it. So, the car had travelled a reasonable distance, and it is reasonable to expect there to be some wear to it because of

this use. I would have different expectations of it compared to a brand-new car. As with any car, there is an expectation there will be ongoing maintenance and upkeep costs. There are parts that will naturally wear over time, and it is reasonable to expect these to be replaced. And with second-hand cars, it is more likely parts will need to be replaced sooner or be worn faster than with a brand-new car. So, Startline would not be responsible for anything that was due to normal wear and tear whilst in Mr M's possession.

Mr M thinks that he should have been entitled to reject the car. The CRA sets out that Mr M has a short term right to reject the car within the first 30 days, if the car is of unsatisfactory quality, not fit for purpose, or not as described, and he would need to ask for the rejection within that time. Mr M would not be able to retrospectively exercise his short term right of rejection at a later date.

The CRA does say that Mr M would be entitled to still return the car after the first 30 days, if the car acquired was not of satisfactory quality, not fit for purpose, or not as described, but he would not have the right to reject the car until he has exercised his right to a repair first – this is called his final right to reject. This would be available to him if that repair had not been successful.

First, I considered if there were faults with the car.

Mr M provided a report from a third-party garage, when the car had travelled 101,225 miles (around 2,600 miles since supply), This invoice said that there was:

- a possible injector issue;
- brake discs were in poor condition;
- tyre pressure sensor was malfunctioning due to battery failure on both front sensors;
- pre-collision assist was not available as the control module had a fault;
- and there was a fault with clutch relay causing the aircon not to blow cold air.

Mr M also told us about some of the other issues he experienced with the car. He said shortly after he acquired it, a large piece of metal come loose underneath and eventually the car needed an engine replacement due to other issues that came about. Mr M said the dealer replaced the engine beginning of September 2024 when the car had travelled 99,633 miles (around 1,008 miles since supply). Mr M also told us that at the end of October 2024 he had to pay to have the water pump replaced when the car had travelled 100,286 miles (around 1,661 miles since supply). He told us that the car later, in April 2025, broke down again and the recovery agents found multiple defects (coolant leak, non-functional AC, squeaking brakes, tyre sensor fault, pre-collision assist unavailable).

I can also see that an independent inspection report was completed in April 2025, when the car had travelled around 102,725 miles (around 4,100 miles). The inspection concluded that with the elapsed time and mileage covered in the car the faults would not have been present at the point of supply. The report said that the fault with the air conditioning may be related to its previous repairs when the engine was replaced, as the air conditioning had to be drained out, but that clarification would be required to be made under workshop conditions. Also, they it said that the air conditioning system would require a re-gas.

Based on the above, it is clear that the car was faulty. But just because a car was faulty does not automatically mean that it was of unsatisfactory quality when supplied. So, I have considered if the car was of unsatisfactory quality when it was supplied to Mr M.

I considered that all the issues Mr M had with the car leading to the engine needing replacement would, most likely, render the car of unsatisfactory quality at the time of supply. I have come to this conclusion because when considering the mileage of the car when supplied, the price paid, combined with when the engine needed to be replaced (around

1,008 miles after supply), I think most likely, a reasonable person would not consider the car with these faults to be of satisfactory quality. So, I think it is only fair that Startline should be responsible for these issues, but I think these have all been put right for Mr M. I say this because I understand that the supplying dealership replaced the engine at no cost to Mr M. Mr M was provided with a courtesy car during the repair period and Startline agreed to reduce the arrears on Mr M's agreement by £750 plus removed £54 of fees. As such, I then went to consider all the other faults that have been raised by Mr M (predominantly ones that have occurred after the engine was replaced).

Mr M told us that he had incurred other costs after the engine was replaced. Among them, he had to pay for £131.03 for the water pump repair. At that time the car had 100,286 miles (around 1,661 miles since supply). About a month later, he had issues with the fuel injector. However, I do not think that any of the other work the car needed would render it of unsatisfactory quality and/or that it would be fair and reasonable for me to say that Startline should be responsible for those repairs. I say that for a few reasons, as I will explain below.

I considered that, at the time, the car had travelled a significant number of miles, about 100,286 miles, and approximately 1,661 miles since Mr M acquired it. So, when considering the age and mileage of the car, combined with when these issues were noted, I think most likely, the faults Mr M was experiencing were because of normal wear and tear, and parts coming to the end of their life cycle. Parts such as a water pump or fuel injectors are wear and tear items, and I've not seen enough evidence to be able to say that, on balance, there was a fault with these part present or developing at the point of supply, which would render them of unsatisfactory quality. So, I think most likely these needed changing due to normal wear and tear process.

I have also reached a similar conclusion when it comes to the issues that were noted when the car failed again in April 2025. I can see that the independent report, completed in April 2025, when the car had travelled around 102,725 miles (around 4,100 miles since supply) notes that all the issues noted would not have been present at the point of supply. A such I do not think it would be fair or reasonable for Startline to be responsible for the faults that were noted on that report.

I know the report said the air conditioning system would require a re-gas, and that it may be related to the previous repairs, when the engine was replaced, but the report said that clarification would be required to be made under workshop conditions. Considering that Mr M had decided to VS the car that is no longer possible. As such, when considering if it would be fair and reasonable that Startline should be responsible for these issues I thought about several aspects.

I thought about the fact that Startline agreed that as a gesture of goodwill Mr M could have the air conditioning re-gassed at no cost to him. I thought about the fact that now that Mr M decided to VS the car it is no longer possible to ascertain whether it is a failure that was resulting from the original engine replacement. Finally, and most importantly, I do not think it matters because I think, most likely, the issue with the air conditioner, noted in April 2025, would not render the car of unsatisfactory quality. I say this because at that time the car had travelled around 102,725 miles (around 4,100 miles since supply) and it was more than nine years old. As such, considering the age and mileage of the car, combined with when this issue was noted, I think most likely, it was because of normal wear and tear, and parts coming to the end of their life cycle. I think it is reasonable to expect there to be some wear to a car as a result of its use. As with all used cars, there is an expectation that there will be ongoing maintenance and upkeep costs. There are parts that will naturally wear over time, and it is reasonable to expect these to be replaced. Also, with second-hand cars – especially with a car of high age and mileage – it is more likely that parts will need to be replaced sooner or be worn faster than with a brand-new car. In addition, Mr M has not provided any

reports that would show that the repairs that were needed were developing at the point of supply, or that these would render the car not reasonably durable.

As such, based on all the available evidence, I do not have enough to say that, most likely, the car was of unsatisfactory quality due to issues raised in April 2025. So, Mr M would not be entitled to have his right to reject the car, and I do not think Startline should be responsible for the cost of those repairs.

I next considered the fact that Mr M VS the car, because he said that caused him further harm. Having considered the communications between Mr M and Startline around ending the agreement in question, I can see that different options available to end the agreement were provided to him. I can see that these included the process around VS and these were explained to him on more than one occasion. I can also see that ultimately Mr M decided to VS.

I can see that Startline made him aware the car would be sold at an auction where they would endeavour to obtain the best price for it, but if there was a remaining balance due he would be responsible for this difference. As such, I have not seen enough evidence to be able to say that, most likely, Startline have done anything wrong by seeking the balance from Mr M.

I remind Startline that if Mr M is not able to make repayments due to his financial situation, they should work with him to arrange an affordable plan for him. One that allows him to repay the money due in a reasonable amount of time or in a way that is sustainable (a plan that takes his circumstances into account and is realistic, affordable and one that leaves him with sufficient disposable income to account for other bills and contingencies).

Mr M has told us a lot about his personal circumstances and while I sympathise with him for the difficulties that he is experiencing, based on all the information available in this case, I do not think there is sufficient evidence to say that, most likely, Startline needs to take any further action regarding this complaint.

My final decision

For the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 8 January 2026.

Mike Kozbial
Ombudsman