

The complaint

Mr E complains about the quality of a car he acquired under a hire purchase agreement with Blue Motor Finance Ltd (BMF).

When I refer to what Mr E and BMF said or did, it should also be taken to include things said or done on their behalf.

What happened

In June 2024, Mr E entered into a hire purchase agreement with BMF to acquire a used car first registered in March 2019. At the time, the car had travelled around 36,838 miles. The cash price of the car was £18,236.80. There was a deposit payment of £5,000 and the total amount payable was around £22,240.68. Mr E had to pay 48 instalments of £359.16. An Option to Purchase Fee of £1 was to be payable at the same time as the final instalment.

In summary, Mr E said that within six months of supply he experienced an issue with the car, so he brought it to the attention of the supplying dealer who initially indicated it was a minor problem but later stated they were unable to resolve it. Subsequently, in February 2025, Mr E took the car to a main dealer, for the car in question, and after performing the necessary diagnostic, he was informed the issue would cost approximately £2,500 to fix. The main dealer found fault codes in the ECU regarding GPF being full and engine oil pump valve being faulty. They said the GPF is 32% because of the EML, so it needed a regeneration, plus they found that the oil pump and the wiring harness were faulty. As the supply dealer did not want to put this right for Mr E, he raised a complaint with BMF.

In April 2025 BMF wrote to Mr E and said that, as it is more than six months from supply of the car, they would require evidence to suggest the issue was there or developing at the point of supply. They said they considered the independent report that Mr E provided. BFM quoted from the report and said that based on its content they were unable to uphold his complaint.

Our investigator looked at Mr E's complaint. The investigator was of the opinion that the car was of unsatisfactory quality. In particular, that it was not reasonably durable. They explained what BMF should do to put things right.

BMF disagreed 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 to have been good industry practice at the relevant time. Mr E acquired the car under a hire purchase agreement, which is a regulated consumer credit agreement. Our service can look at these sorts of agreements. BMF is the supplier of the goods under this type of agreement and is responsible for dealing with complaints about their quality.

The Consumer Rights Act 2015 (CRA) covers agreements such as the one Mr E 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 E's case the car was around five years old, at the time of acquisition, had travelled around 36,838 miles, and the total cash price was around £18,236.80. I would have different expectations of it compared to a brand-new car. As with any car, 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; 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 BMF would not be responsible for anything that was due to normal wear and tear whilst in Mr E's possession. But given the age, mileage and price paid, I think it is fair to say that a reasonable person would have high expectations of it and would expect the quality of the car to be of a higher standard than a car which is more road worn or has a lower price. Also, I think a reasonable person would expect it to be free from defects for a considerable period of time.

First, I considered if there was a fault with the car. From the evidence on file there does seem to be an issue with the car. I can see from job cards dated March 2025 the main dealer found fault codes in the ECU regarding GPF being full and the engine oil pump valve being faulty. They said the GPF is 32% because of the EML, and as such needed a regeneration. They also found that the oil pump and the wiring harness were faulty.

Based on the above I think, most likely, the car was faulty. However, just because there are, or there were, faults found with the car does not mean the car was of unsatisfactory quality at the point of supply. So, I've gone on to consider if the car was of satisfactory quality when it was supplied to Mr E.

In summary, BMF do not believe that they should be responsible for the issues with the car because when Mr E had the repair done on the oil pump, the mileage on the car was 42,791. This means Mr E managed to cover some 5,953 miles before this issue came to light. BMF said at this point the car had also been in Mr E's possession for approximately eight months. As such, they said, it was for him to prove that the fault was there at the point of sale.

First, I would like to state that Mr E did raise issues with the car to the supplying dealer earlier than eight months but, as they were unable to help, he got the car fixed at the main dealer. Considering this, I do not think it was unreasonable for him to get the car repaired when the supplying dealer was not willing to assist him with the issues.

Second, Mr E did commission and provided an independent inspection report. This report said they cannot definitively state whether the oil pump was faulty at the point of sale as they have not seen the removed part. However, they concluded that given the faults arose

relatively early in the ownership period, and were resolved by the main dealer (while the supplying dealer was investigating), such that the issue and faults are no longer present, it is reasonable, they said, that the issue likely existed or was developing at the point of sale.

Hence, I have considered the evidence. When considering the mileage of the car when supplied, the price paid, combined with when the faults first became apparent, I think most likely a reasonable person would not consider the car with these faults to be of satisfactory quality. When arriving at this conclusion, I have considered that a reasonable person would not expect a car which travelled a total of around 42,791 miles to have a faulty oil pump and wiring harness. I'm persuaded that, more likely than not, the car would not be considered reasonably durable due to all the faults mentioned above. So, considering the specific circumstances of this particular case, this, most likely, would render the car of unsatisfactory quality and more specifically, not reasonably durable.

Next, I have considered whether it would be fair for Mr E to be able to reject the car at this stage.

The CRA sets out that Mr E 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 E would not be able to retrospectively exercise his short term right of rejection at a later date.

The CRA does say that Mr E would be entitled to 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; And this would be available to him if that repair had not been successful.

I have considered that the car has now been repaired and there is no evidence to show that these repairs have now failed. Considering all the specific circumstances of this complaint, I do not think it would be fair and reasonable for Mr E to reject the car at this stage. However, I have considered the impact of this situation on Mr E.

Mr E has been able to use the car, so I think it is reasonable he pays for this use, but Mr E should not be responsible for any payments he made when he was without a courtesy car, during the time the car was being repaired. So, he should be refunded for the payments made between 27 February 2025 and 4 March 2025, as he was left without a car during this time.

In addition, Mr E incurred costs for the diagnostic, the independent report, and the cost of the repairs that were completed in March 2025. As such, upon proof of payment BMF should refund Mr E these costs.

BMF should also add interest to the refunded amounts from the date of each payment until the date of settlement. Interest should be calculated at 8% simple per year.

BMF should also remove any adverse information recorded on Mr E's credit file in relation to this credit agreement.

Finally, I also think that this matter caused Mr E a lot of distress and inconvenience when trying to resolve it. He had to take the car to get it diagnosed and repaired plus arrange his own transport and inspection. Had BMF supplied him with a car that was of a satisfactory quality, I think most likely, he would not have to deal with the above. So, I think BMF should pay him £250 in compensation to reflect the distress and inconvenience caused.

My final decision

For the reasons given above, I uphold this complaint and direct Blue Motor Finance Ltd to:

1. Refund any payments Mr E made between 27 February 2025 and 4 March 2025;
2. Upon proof of payment, refund all costs Mr E incurred for diagnostics, the independent report, and the repairs that were completed in March 2025;
3. Add 8% simple interest per year to all refunded amounts, from the date of each payment to the date of settlement;
4. Pay Mr E £250 compensation;
5. Remove any adverse information recorded on Mr E's credit file in relation to this credit agreement.

If Blue Motor Finance Ltd considers that tax should be deducted from the interest element of my award, they should provide Mr E with a certificate showing how much they have taken off so he can reclaim that amount, if he is eligible to do so.

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

Mike Kozbial
Ombudsman