

The complaint

Mr R complains that a car he took from Tandem Motor Finance Limited under a hire purchase agreement was not of satisfactory quality.

What happened

In August 2023 Mr R entered into a 42-month hire purchase agreement with Tandem for a used car. The car was around nine years old and had covered some 99,000 miles. It cost £4,194, and Mr R was to pay just under £140 a month. Mr R also had the benefit of a six-month warranty.

Mr R says that the car broke down in December 2023. He had it looked at by a family friend who suspected there was an issue with the thermostat. Mr R said did not use the car for around a year, as he could not afford to have it repaired.

In February 2025 Mr R took the car to a workshop, which confirmed that there were overheating issues and a gasket failure.

Mr R contacted Tandem about the issues with the car. It noted that Mr R had been in possession of the car for around 18 months and said it was likely any issues he was experiencing were the result of wear and tear. It was not, it said, responsible for repairs.

Mr R arranged for the car to be inspected by an independent engineer. The engineer broadly confirmed that the problems were caused by overheating. He also noted that, whilst it had been more than a year since Mr R had taken possession of the car, it had been very lightly used; its recorded mileage was only about 1,700 miles more than it had been at delivery. The engineer concluded that it was likely the faults had been present or developing at delivery.

Our investigator considered the evidence and concluded that the car had not been of satisfactory quality when it was delivered to Mr R. She recommended that Tandem meet the costs of repairs, refund the monthly payments which Mr R had made while the car was off the road, refund the costs of diagnosis and the engineer's report, and pay Mr R a further £150 in recognition of the inconvenience to which he had been put. She also recommended that Tandem pay interest on the refunds.

After the investigator had issued her preliminary assessment of Mr R's complaint, he confirmed that repairs had been completed satisfactorily and at no cost to himself. He accepted the investigator's recommendation. Tandem did not accept it, however. It said that, given the time during which Mr R had not used the car, it was possible problems had developed later. It asked for evidence of the car's condition closer to the time of sale. Because it had not been possible to resolve the complaint, it was passed to me for further consideration.

I reviewed the case file and issued a provisional decision, in which I said:

The hire purchase contract was to be read as including a term that the car would be of satisfactory quality – meaning the quality a reasonable person would expect in all the circumstances. In the case of a used car, those circumstances include its age, mileage and price. This was a high mileage, low-priced car which was around nine years old. It was to be expected that it might need some maintenance during the life of the hire purchase agreement, and possibly some significant repairs.

Be that as it may, I think that Mr R was entitled to expect that the car would not develop serious faults as soon as it did. Whilst he did not have it inspected at the time, I have no reason to think he is not telling the truth when he says it failed in December 2023, just a few months after he took delivery. The failure of the heating system was not therefore something which had been caused by wear and tear as a result of Mr R's use of the car.

That view is supported by the engineer's report dated 1 March 2025, which describes the faults with the cooling system and concludes they were likely to have been present at the point of delivery. I note that Tandem has suggested that they could have developed when the car was not being used, but the expert engineer was aware that the car had been off the road for more than a year and that it had only been driven around 1,700 miles since Mr R had been in possession of it. He took those matters into account in reaching the conclusions he did.

It is unfortunate that the car was not inspected sooner than it was. Had that happened, the evidence about its condition in August 2023 would have been more persuasive. Be that as it may, I think the evidence from March 2025 is still compelling.

I therefore agree with the investigator that the car was, on balance, not of satisfactory quality at the point of delivery. I have therefore considered what Tandem should do to put things right. Mr R says that he should be able to return it and end the hire purchase agreement. I'm afraid I do not agree. He did not raise the issue with Tandem until some time after he found out there was a problem, by which time the car may have suffered further depreciation in value. In addition, the car has now been repaired, at no cost to Mr R.

The investigator recommended that Tandem refund any payments made while the car was off the road. But the car was off the road for as long as it was largely because Mr R did not raise the issue with Tandem, the dealership or the warranty company. Although the faults were significant (in the sense that they meant the car could not be used), they could be repaired – as shown by the fact that they now have been.

For these reasons, I do not believe it would be fair to require Tandem to refund any of the monthly payments which Mr R has made.

My provisional conclusion was that Tandem should resolve the complaint by paying Mr R: the cost of the diagnostic report (£70), plus interest; the cost of the expert's report (£276) plus interest; and £150 in recognition of the inconvenience to which he had been put.

Tandem did not accept my provisional decision. It repeated that, in the absence of evidence of the car's condition obtained close to the point of supply, it would not agree to pay any compensation. I have therefore carried out a final review of the case.

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 that, however, I have not changed my view from that which I set out in my provisional decision. I can understand why Tandem would prefer to see contemporaneous evidence of the car's condition at delivery. It would certainly be helpful, and I said as much in my provisional decision, where I commented:

It is unfortunate that the car was not inspected sooner than it was. Had that happened, the evidence about its condition in August 2023 would have been more persuasive.

But the expert's report did conclude that the faults were likely to have been present in August 2023, and the engineer who compiled the report explained why he had reached that view. For obvious reasons, it is not now possible to obtain the evidence which Tandem would like to have seen. And I have to make my decision have to make my decision on the basis of the evidence which is available, not the evidence which would be available in an ideal world.

My final decision

For these reasons. My final decision is that, to resolve Mr R's complaint in full, Tandem Motor Finance Limited should pay him:

- £70 plus interest at 8% a year simple from 15 February 2025 until the date of payment;
- £276 plus interest at 8% a year simple from 1 March 2025 until the date of payment; and
- £150.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 17 December 2025.

Mike Ingram
Ombudsman