

The complaint

Ms S complains that the car she acquired through Blue Motor Finance Ltd (“BMF”) was misrepresented to her. She says this caused her additional expense and reduced the car’s value when she sold it.

What happened

Ms S entered into a hire purchase agreement in August 2024 to acquire a used car. The cash price of the car was £37,000, and with an advanced payment of £29,000, the credit provided to Ms S was £8,000. The credit agreement was set up over a term of 36 months and Ms S’ monthly payments were set at £282.17, so that if the agreement ran to term, then the total repayable under it would be £39,159.12. At the time of acquisition, the car was just over four years old and had been driven just under 35,000 miles.

Ms S told us:

- She’s unhappy that she wasn’t told the car had been re-mapped at the time of acquisition, despite asking the supplying dealership whether the car had been modified in any way and being assured it had not;
- the re-mapping has serious implications including potential damage to essential components such as the engine, the gearbox, and the four-wheel drive system;
- this is evidenced further by the fact that the power output on this car registers over 600 BHP, with a maximum reading of 640 BHP, whereas the car’s display should be limited to 560 BHP and have a normal reading of 510 BHP;
- she’s been financially disadvantaged because the re-mapping resulted in an increase in her insurance premiums as soon as she notified her insurance provider; it also voided the warranty;
- the re-mapping has affected the car’s value; based on its condition and market value, the car should’ve been valued at between £35,500 - £36,500 but after disclosing the re-mapping along with a mileage discrepancy, the car’s value fell significantly and she was only able to sell it, after significant effort, for £30,200;
- had she been told the car had been re-mapped, she would not have proceeded with the acquisition and financing of it;

Ms S told BMF that she only became aware of the modification and engine remap after taking ownership of the car, and it’s caused complications for her as it renders the car ineligible for the manufacturer’s warranty, or indeed any other third-party warranty she’s explored. Ms S says she contacted the supplying dealership about this in January 2025, but it declined to assist in resolving the matter.

Although Ms S initially sought to reject the car, and she asked BMF to engage with the supplying dealership to arrange the rejection of the car and the termination of the agreement, matters have taken so long that she ended up selling the car privately and she then settled the credit agreement.

BMF rejected this complaint. It explained its understanding of the Consumer Rights Act 2015 (“CRA”) and said that because it was more than six months since it supplied the car, it wasn’t responsible for the fault and under no obligation to have the car inspected.

BMF said it did not accept that the car had been re-mapped. But it went on to say that the manufacturer had asserted that the dashboard had been tampered with, and it explained the link between data stored in the ECU and gearbox, and on the keys and car’s mobile app. BMF noted that the car had not been serviced by the manufacturer since 2022, otherwise these things would’ve been easily detectable.

Our Investigator looked at this complaint and said she thought it should be upheld. She explained she’d had sight of the information contained in the advertisement for the car, and she found Ms S’ testimony about her discussions with the supplying dealership to be plausible. She’d also seen images of the car’s dashboard, and had confirmation of the price Ms S had eventually received when she sold the car.

Our Investigator explained the relevance of *misrepresentation* in the circumstances of this complaint. And she explained to Ms S and BMF that when considering misrepresentation she was looking at two things:

- i. whether there was a false statement of fact and, if there was;
- ii. whether the false statement of fact induced Ms S to enter into the finance agreement.

Our Investigator concluded that Ms S had been told that the car was as described presale, and she said that taking into account all the evidence she’d seen, she thought that the car was not as described, and that had Ms S been aware of this, she would not have chosen to acquire this car and would not have entered into the finance agreement.

Because the car has been sold in the interim, she recommended that BMF return Ms S’ deposit; reimburse her for the increased insurance premiums she’d paid once her insurance provider became aware of the car’s modification; and pay Ms S £6,945.52 – the settlement value she’d paid to settle the finance agreement. And she asked BMF to pay Ms S some compensation in recognition of the distress and inconvenience it had caused.

Ms S accepted our Investigator’s recommendations. BMF did not, so the complaint comes to me to decide.

BMF said it did not think the car was ‘not as described’, and it thought that given the fact Ms S had driven the car for just over five months and travelled around 6,000 miles before she contacted the supplying dealership, it thought she would have noticed any re-mapping far sooner. BMF also said that in the event the car had been re-mapped, there was no evidence that this could not have been done whilst the car was in Ms S’ possession.

My initial conclusions are set out in my provisional decision, issued in October 2025. In it I said I thought Ms S’ complaint should be upheld, but I reached a different conclusion to our Investigator about how it should be fairly settled, and I explained my reasoning as follows:

“The hire purchase agreement entered into by Ms S is a regulated consumer credit agreement which means that this Service is able to consider complaints relating to it. BMF is also the supplier of the goods under this type of agreement, and it is responsible for a complaint about their quality.

I have also taken into account section 56 of the Consumer Credit Act (1974), which explains that finance providers – in this case BMF - are liable for what they say and for what is said by a credit broker or a supplier before the consumer enters into the credit agreement. So I

can hold BMF liable for what the broker / supplying dealership said prior to the agreement being entered into – something known as antecedent negotiations.

A misrepresentation is a false statement of fact that induces a consumer to enter into something that they wouldn't have entered into otherwise. And in very limited circumstances, a misrepresentation can also be an omission of a fact. In other words, where something hasn't been said that should have been.

In the circumstances of this case, I'm satisfied that the car was misrepresented to Ms S for exactly the same reasons as our Investigator:

- *the original advert information for the car is detailed, but makes no reference to any modifications; re-maps; or retunes;*
- *Ms S' testimony is plausible, consistent and persuasive - she specifically enquired about modifications on the car and was told there were none. And on the basis of previous and similar issues she had, I think this to be more likely than not;*
- *upon becoming aware of the re-map, Ms S notified the supplying dealership as well as her insurance provider, even though she knew it would result in increased premiums – which it did and which she paid;*
- *the report from the dealership associated with the manufacturer states "fault reading that confirmed the [vehicle] has engine tuning present";*
- *the sales receipt from the purchasing dealership when Ms S sold the car says "unknown remap...mileage discrepancy" which suggests this dealership noted the state of the car;*
- *the sales price achieved for the car was lower than it would've been had the car not been re-mapped or re-tuned.*

Because I'm satisfied that the car was misrepresented to Ms S, I've gone on to consider what BMF needs to do to put things right. I'm going to ask it to refund her for the increase in insurance premiums that she had to pay for the short period between notifying her insurance provider and then selling the car. I'm also going to ask BMF to reimburse her the lost value in the car's sale price, and to pay her some compensation for the worry and anxiety it caused.

Ms S does not receive a refund of her deposit because she did not return the asset – the car – to BMF. Instead she sold it and retained the proceeds, utilising some to settle the agreement".

I asked each party to let me have any comments or new information that they'd like me to consider. And I asked for this to be submitted no later than 12 November 2025.

I've had no further comments or submissions from BMF.

Ms S agrees with my provisional decision, but she's asked me to consider some additional costs and expenses she says she's incurred. I won't repeat all of her submissions here but, in summary, she says:

- she thinks it would be fair and reasonable for BMF to also refund her any interest she paid under the credit agreement;
- she paid increased insurance premiums until 26 May and wants this to be refunded;
- she had to pay £150 for diagnostics which verified the original issue she complained about, and this cost should be refunded by BMF;
- she paid £1,000 for a car alarm system. She retained the car alarm system, but had to pay to have it taken out of the car supplied by BMF and re-installed in her new car;

- she would've received more for the car when she sold it, had she sold it privately and would like the "car's true private sale value" to be recognised;
- because of the time she's spent dealing with this matter, she should be awarded more than £200 for distress and inconvenience.

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.

I thank Ms S for her comments, and I've considered them alongside all the evidence and arguments submitted by both parties, in order to decide what's fair and reasonable.

It may be helpful at this stage for me to explain that, although a number of points have been raised in response to my provisional decision, I will only be addressing those issues I consider to be materially relevant to the complaint in hand. Both parties should note, however, that although I may not address each individual point raised, I have given careful consideration to all of the submissions before arriving at my decision.

Having considered all the evidence, I've reached the same conclusions as set out in my provisional decision, and for the same reasons, but I am going to update the redress because of some of the information Ms S has provided. And I'm going to make the following points:

- Ms S is not entitled to receive a refund of any interest in the circumstances of this complaint. She referenced having seen other cases where interest has been refunded. But I need to make a couple of important points here.

In some cases, where this Service says that a car should be rejected, the consumer has experienced impaired usage of the car, or no usage at all because of mechanical faults with it; the car simply could not be driven because something was broken, or it was off the road being repaired.

Where the customer made their monthly rentals under the agreement – these may include an element of interest – this Service will sometimes recommend that monthly rentals are refunded to recognise the fact that the consumer was paying for car but could not use it. I've seen no evidence at all from Ms S that this was the case here.

- I've already recommended that BMF reimburse Ms S for the increased cost of her car insurance premiums, and I explained why I thought this was fair and reasonable. Ms S says she paid the increased premium for a couple of months longer than we'd originally believed. So, for the same reasons I previously gave, I'm persuaded that BMF should reimburse her for this extended period, upon Ms S producing evidence of the increased insurance premiums for the period in question – 6 March to 26 May.
- Ms S says she paid £150 for diagnostics which verified the original issue she complained about. And she's sent this Service a copy of the invoice dated 6 March 2025. I think it's appropriate for BMF to cover the cost of these diagnostics because without them, the issue with the car would not have been identified.

So, on the basis that Ms S provides evidence that *she* paid this invoice in March 2025 – I've noticed the invoice is made out to someone other than herself – then it would be fair for BMF to reimburse her this cost.

- The decision to have the car alarm uninstalled and then reinstalled, and the decision to sell the car at trade value are choices Ms S made with the knowledge the car had been re-mapped. And I simply cannot hold BMF responsible for those choices. If Ms S believed a private sale would've realised a higher value when she sold the car, then that was a route that was always open to her. Similarly, there was no requirement to have the car alarm removed and then reinstalled – it could've remained with the car, and the car's sales price could've reflected the inclusion of an expensive alarm system.
- Finally, I'm not going to increase the £200 award I made for distress and inconvenience. I appreciate that bringing this complaint to a satisfactory conclusion has taken some time, but I believe that an award of £200 is fair and reasonable in the circumstances of this complaint.

Putting things right

I'm going to direct Blue Motor Finance Ltd to put things right by doing the following:

- refunding Ms S for the increased insurance premiums she had to pay upon receipt of confirmation from her insurer. I understand between 6 March to 26 May 2026 her insurance premiums increased from £153.51 to £365.23;
- refunding Ms S the £5,800 loss she incurred when she sold the car. The car was sold for £30,200 but it would've had a mid-point value of £36,000 without the re-map;
- reimbursing Ms S the £150 cost of diagnostics in March 2025 upon production of a receipt evidencing Ms S having made this payment;
- paying 8% simple yearly interest on all refunded amounts from the date of payment until the date of settlement*;
- paying a further amount of £200 for the distress and inconvenience that's been caused due to the faulty goods.

*HM Revenue & Customs requires Blue Motor Finance Ltd to take off tax from this interest. Blue Motor Finance Ltd must give Ms S a certificate showing how much tax has been taken off if she asks for one.

My final decision

My final decision is that I uphold this complaint and require Blue Motor Finance Ltd to settle this complaint fairly as I've set out above.

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

Andrew Macnamara
Ombudsman