

The complaint

Mr B complains about the quality of a car he acquired under a hire purchase agreement with Specialist Motor Finance Limited trading as SMF Motor (SMF).

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

What happened

In July 2024, Mr B entered into a hire purchase agreement with SMF to acquire a car first registered in March 2015. At the time of acquisition, the car had travelled around 53,541 miles (based on an MOT from around the time of acquisition). The cash price of the car was £5,185. The duration of the agreement was 48 months with 47 monthly repayments of £162.17 and a final repayment of £172.17.

Mr B said that six months and a day after supply the car broke down. In summary, Mr B said the issues with the car are ones that must have been ongoing for a while and therefore SMF should be responsible. He said the car should have lasted longer than it did for a few different reasons, among them the fact that his car was nine years old with only about 55,000 miles (assuming average mileage for a used car is around 10,000 to 12,000 miles per annum). Mr B said that the warranty on the car will not cover the repair expenses as, they said, the issues would have been ongoing within the first six months and therefore were the responsibility of the supplying garage/SMF. Mr B said that a car needs to be fit for purpose, and breaking down with so many faults six months and one day after is not something that can ever be classed as fit for purpose. The car was purchased to last a lot longer than it did. Mr B would like to reject the car, and he also believes that his insurance and tax should be reimbursed to him.

In April 2025 SMF wrote to Mr B and said they are responding to the complaint he raised with them on 13 March 2025. They said that if a defect occurs after six months of purchasing the car, the burden of proof lies with Mr B to prove the fault was inherent at the point of sale. SMF said that, at the point Mr B raised this complaint he had been in possession of the car for around eight months and therefore, they request evidence from him. They said they received a screenshot of an estimate from a third-party garage, dated 10 February 2025, for removing the timing chain and cylinder head to inspect and replace at a cost of £2,817.60. However, SMF said that, unfortunately, this would not be accepted as evidence as it was an estimate rather than an actual diagnostic and, moreover, does not confirm that any issue was developing at the point of sale.

SMF concluded that correspondence by saying there is no evidence to suggest the car was of unsatisfactory quality when Mr B acquired it, or that it had a failed repair, or that it was unfit for purpose. As such they said, they do not accept his request to reject the car and subsequently they do not uphold his complaint.

Mr B remained unhappy, so he referred his complaint to the Financial Ombudsman Service (Financial Ombudsman).

Our investigator considered Mr B's complaint, and in summary, the investigator said that there was not enough evidence, on balance, to ask SMF to do anything more to resolve Mr B's complaint.

Mr B disagreed with the investigator. As such, 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 B acquired the car under a hire purchase agreement, which is a regulated consumer credit agreement. Our service can look at these sorts of agreements. SMF is the supplier of goods under this type of agreement and is responsible for dealing with complaints about their quality.

I know Mr B has made a lot of points and has asked a lot of questions which I have summarised here 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 focused 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 am only considering the aspects SMF are responsible for, so I cannot look at certain actions and/or inactions of the dealership/broker or the warranty company which Mr B might be unhappy about. As such, 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 B with SMF, the ones they had an opportunity to address in their correspondence sent to him in April 2025.

The Consumer Rights Act 2015 (CRA) covers agreements such as the one Mr B 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 B's case the car was used, with a cash price of around £5,185. It had covered around 53,541 miles (based on an MOT from around the time of acquisition) and was about nine years old when he acquired it. Therefore, based on age and mileage of the car it is reasonable to expect there to be some wear to it because of its use. I would have different expectations of it compared to a brand-new car or one that is less road worn. 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. 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. And SMF would not be responsible for anything that was due to normal wear and tear whilst in Mr B's possession.

I know that Mr B thinks he should be entitled to reject the car. The CRA sets out that Mr B 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 B would not be able to retrospectively exercise his short term right of rejection at a later date.

The CRA does say that Mr B 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. And this would be available to him if that repair had not been successful. However, before he would be entitled to a right of repair I need to be satisfied, on balance, that the car had a fault, or was not reasonably durable, rendering it of unsatisfactory quality.

First, I considered if there were faults with the car. Mr B has provided an estimate from the third-party garage. This estimate states:

“Labour charge to remove timing chain and cylinder head to inspect/replace valves.
Suspect valves to pistons contacted.
Engineer charge to skim cylinder head, replace valves and possible valve guides.”

The estimate also listed the following parts and their prices:

“Engine oil filter
Engine oil
Anti freeze
Water pump
Thermostat
Timing chain set
Head gasket set with seals
Inlet valve (for 6)
Exhaust valve (for 6)
Head bolts”

The quote for these repairs, including labour, was listed as £2,817.60.

Based on the above I think, most likely, the car was faulty, but 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. As such, I've gone on to consider if the car was of satisfactory quality.

I have considered all the evidence that was provided in this case, and I do not have enough evidence to say that, most likely, the car was of unsatisfactory quality. In addition, I should state that just because a warranty company did not want to fix the car that does not automatically meant that it was of unsatisfactory quality.

First, I have not seen enough to be able to say that those issues listed above would, most likely, render the car of unsatisfactory quality based on the mileage, age, and price of the car. I say this because the current evidence available does not give a great amount of detail. Specifically, there is not enough information as to the cause of the faults. There is no independent report nor any mechanical report for that matter, or any invoices/job sheets/cards that elaborate on why the faults with the car had occurred. And considering the specific circumstances of this case, including the passage of time since supply, I do not think

it was unreasonable for SMF to state that the invoice provided by Mr B was not an actual diagnostic, one that would confirm that the issues were developing at the point of supply.

When coming to the above conclusion I have also thought about the fact that Mr B, based on his testimony, was able to drive this nine-year-old car for over six months and, during this time, he travelled about 5,000 miles before the faults occurred. I think, most likely, had the faults been present or developing at the point of sale, they would have surfaced sooner than they did. As such, Mr B would not have been able to drive for six months and cover about 5,000 miles.

I've also considered whether the car was reasonably durable. In certain situations, if parts fail prematurely, this can indicate that the car was not of satisfactory quality at the point it was supplied as it may have been not reasonably durable. When thinking about this, I considered that the car service history provided was for only one service that was completed at the beginning of July 2024, shortly before the car was acquired by Mr B. When the faults in question occurred, the car was between nine and ten years old and had been driven for around 58,000 miles. Some of the engine parts listed above, on a well-maintained car, could have potentially lasted longer than they have in this car. However, as there is no evidence that this car has been serviced in line with the manufacturer's guidelines and was not supplied with a full history, I have not seen enough to be able to say that the car was not reasonably durable. Regular servicing, as per manufacturer's guidelines, is essential as otherwise car parts suffer increased wear and tear which might cause them to fail sooner than they would have otherwise. As such, I have not seen enough evidence to be able to say that, most likely, the car or its parts have not been reasonably durable. Also, I cannot say that, most likely, the car was of an unsatisfactory quality when supplied.

Overall based on the mileage, price, and age of the car when supplied, combined with how long Mr B had it for and how many miles he was able to travel before the car failed, I do not have enough information to say that most likely the car was not of satisfactory quality, not fit for purpose, or not as described.

While I sympathise with Mr B for all 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, SMF should be required to take any further action regarding his 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 B to accept or reject my decision before 3 March 2026.

Mike Kozbial
Ombudsman