

The complaint

Mr L has complained about the quality of a car provided on finance by Startline Motor Finance Limited ("SMF").

What happened

Both parties are familiar with the events, so I'll briefly summarise them here.

SMF supplied Mr L with a used car on a hire purchase agreement in October 2023. The cash price of the car was around £17,300 and it had covered around 112,300 miles since first registration in September 2017. The hire purchase agreement required payments of around £550 for 46 months, followed by a final repayment of around £560.

Mr L said that he experienced issues with the car within the first few days and repairs were made which included an oil leak which had been an advisory in the MOT. The tyres needed inflating, and the drivetrain warning came on when the car was cold. There were issues with the gearbox, and the rocker cover was replaced. Some repairs were made and partly funded by the warranty.

In September 2024 there were repairs to the wheel bearings, alignment, and the suspension. In November 2024 there were further repairs, and a new engine was installed. The mileage at this point was around 131,000. Some of the further repairs were partly funded by the warranty.

In December 2024 Mr L complained to SMF that he'd been supplied a car that wasn't of satisfactory quality.

Mr L said that he experienced persistent serious mechanical and electrical faults and had incurred costs of around £8,225 for multiple repairs and diagnostics. He said the key issues related to repeated failures of sensors, engine bottom end, drive shaft, and other essential components. He said there was complete electrical failure which caused the car to power down while running and he was left stranded with the engine running and no way to turn it off. Mr L said that an independent report had confirmed that the Footwell electronic module (FEM) and stop/start switch were faulty, which meant the car had no power, no central locking and no functioning windows which made it impossible to secure or use it. He'd had to pay for a key as he'd only received one working key.

After the failure of the FEM module, Mr L raised his latest complaint in June 2025. The mileage at this point was around 133,000. SMF said that Mr L needed to supply evidence that the faults were present or developing at the point of supply, and it thought that only an independent inspection could determine this. As Mr L did not agree to provide further independent evidence, SMF ultimately did not uphold the complaint.

Mr L referred the complaint that he made in June 2025 to our service, he did not refer his earlier complaints, but I mention these here by way of background. He also provided updates on further developments which included concerns about SMF's handling of his

payments, and that he had Voluntary Terminated the agreement in September 2025. But he said that he still sought a refund of the repair costs that he'd incurred, together with compensation for the stress, inconvenience, and financial impact of being supplied an unroadworthy car.

An investigator here looked at the complaint. He said that there wasn't sufficient evidence that there was a fault which made the car of unsatisfactory quality. He didn't recommend that SMF needed to do anything further.

Mr L disagreed and in summary he said:

- He disagreed with the investigator's conclusions and requested an ombudsman review the complaint under the Consumer Rights Act 2015 (CRA) and Consumer Credit Act 1974 (CCA).
- There were faults with the car almost immediately after purchase, including sensor failures, electrical issues, and a defective FEM module. The evidence and email trail he provided clearly show that these problems began within the first months of ownership and escalated from there.
- Under Section 75 of the Consumer Credit Act 1974 (section 75), SMF is jointly and severally liable for the car's condition and for breaches by the supplying dealer. The Act does not allow the finance company to shift all responsibility to the consumer after six months, especially when faults were reported early and continued to develop.
- The car had around 112,000 miles at purchase but that does not excuse over £9,000 in repairs in 18 months. The CRA requires goods to be of satisfactory quality including durability. Used cars must still remain roadworthy and free from major faults for a reasonable period and mileage does not remove the legal expectation of reliability.
- All receipts, invoices, reports, photos, and correspondence have been provided in full, so SMF needed to prove, with technical evidence, that the failures were due to misuse or unrelated damage. The available evidence met the burden of proof that the car was not of satisfactory quality at sale.
- From the outset he had only been supplied with one working key as the spare key was blank rendering it useless. When the FEM module failed the recovery agent had to break into the car which further supported the car had electrical defects present from purchase contrary to the CRA.
- He had supplied an invoice which showed that repairs were required two days after purchase, and parts of the CCA hadn't been considered.
- SMF were required to act with forbearance and due consideration when a customer is experiencing difficulty or where a product has caused financial hardship. The Financial Conduct Authority (FCA) principles and duties make it clear that the firm must take the customer's circumstances into account and ensure fair outcomes. Discretionary payment relief does not exempt SMF from this duty and it must still comply with FCA obligations.

- SMF had changed the payment date in an attempt to advance credit score updates which he found concerning given it had also refused a recent payment alleging financial difficulties. He said the advisor ended the call abruptly and rudely.
- The dealer had supplied an earlier car which had a fault and although he had placed a deposit on another car it was sold to someone else on the day he was due to collect it. This explained which is why he went ahead with repairs rather than asking to reject this car.
- An MOT completed in May 2023 listed a gearbox oil leak as an advisory to monitor and repair as necessary. This contradicted SMF's position that the faults developed later.

Mr L asked for the complaint to be reviewed by an ombudsman, so it's been passed to me.

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.

When considering what is, in my opinion, fair and reasonable, I must take into account relevant law and regulations; regulator's rules, guidance, and standards; codes of practice; and what I believe to have been good industry practice at the relevant time.

I've read and considered the evidence submitted by both parties, but I'll focus my comments on what I think is relevant. If I don't comment on a specific point, it isn't because I haven't considered it, but because I don't think I need to comment in order to reach what I think is the right outcome. This is not intended as a courtesy but reflects the informal nature of this service in resolving disputes.

Where the evidence is incomplete, inconclusive, or contradictory (as some of it is here), I reach my decision on the balance of probabilities – in other words, what I consider is most likely to have happened in light of the available evidence and the wider circumstances.

Firstly, I am very sorry to hear about the difficulties Mr L has described to this service and the stress that the matter is causing. I can't imagine how he must feel but thank him for bringing his complaint. I need to clarify that I'm only looking into a complaint about SMF, rather than the other parties that have been involved here. SMF isn't responsible for the broker's actions after the agreement was entered into. I need to explain that our service is also reliant on the evidence put before us, we can't compel witnesses or marshal evidence in the same way a court can.

I want to set out that I'm primarily required to consider what happened up to when SMF sent its latest final response letter as the events preceding this relate to what it has had the chance to consider. Mr L didn't refer his earlier complaints to this service, so I'm also primarily considering the most recent fault. Things moved on from then, so I've tried to be as pragmatic as possible when dealing with this complaint when thinking about what parts I can decide. But I need to be able to draw a line under the complaint with my decision because it will mark the end of our process. If there are further complaints about events that occurred after the final response letter that are not clearly included within this decision, they would have to be taken up separately.

The agreement in this case is a regulated consumer credit agreement. As such, this service

is able to consider complaints relating to it. SMF is also the supplier of the goods under this type of agreement, and responsible for a complaint about their quality.

The CRA is of particular relevance to this complaint. It says that under a contract to supply goods, there is an implied term that "the quality of the goods is satisfactory."

The CRA says the quality of goods are satisfactory if they meet the standard that a reasonable person would consider satisfactory taking into account any description of the goods, the price and all the other relevant circumstances. In a case involving a car, the other relevant circumstances might include things like the age and mileage at the time of supply and the car's history.

The CRA says the quality of the goods includes their general state and condition and other things like their fitness for purpose, appearance and finish, freedom from minor defects, safety, and durability.

Mr L has made reference to other legislation including section 75, and the Supply of Goods Act (SGA). Neither section 75 nor the SGA is relevant to this complaint. SMF is responsible for the quality of the goods because it is, for the purposes of this agreement, the supplier. And the CRA superseded the SGA when considering the rights of a consumer. I've no reason to think that Mr L isn't a consumer for the purposes of this agreement.

When Mr L acquired the car in October 2023 the mileage was around 112,300 and the cash price was around £17,300. The car was first registered in September 2017, so by this stage it was six years old. It wouldn't be unreasonable to expect the car to be showing some signs of wear and tear, and that might include the underlying components. There would be very different expectations of it than if it was a brand-new car. The price paid usually reflects the age and condition of the car.

As a starting point there would need to be some evidence of what the fault was. And secondly, that the fault renders the car of unsatisfactory quality.

I don't think it is in dispute that there is evidence that there were faults with the car and several repairs were made, some of which happened within a short time after the car was supplied. The most recent fault and the subject matter of the most recent final response, where the FEM module has failed, occurred in June 2025.

Mr L has provided a detailed account of all the issues he's experienced since the car was supplied, some of which occurred in the first few days. He has provided detailed submissions both before and in response to our investigator's view. I acknowledge his strength of feeling and he put forward his point of view passionately and articulately. I want to assure him that I've read and considered everything he's provided.

The timeline of events shows problems which occurred shortly after being supplied the car, and later more significant repairs including a new engine. The latest electrical fault happened in June 2025.

I can understand Mr L is disappointed the car had such problems, that weren't cheap or easy to rectify. He'd had the car for around 14 months before he first told SMF about the repairs that he'd paid for. But what I have to bear in mind is that just because I've seen there are faults with the car that manifested within the first six months, this doesn't necessarily mean the car wasn't of satisfactory quality when it was supplied to Mr L – which is what I need to decide. I'd need to see sufficient evidence the fault made the car of unsatisfactory quality when it was supplied to Mr L.

When something goes wrong with a car it isn't automatically something that the finance provider is responsible for. Sometimes the underlying components of a car suffer wear and tear which might mean that they come to the end of their serviceable lifespan during the course of a finance agreement. It's an inherent risk in buying a second-hand car that parts might be more road-worn and might require replacement sooner, especially if the servicing history is unknown.

Although SMF were the supplier of the car under the agreement, it was not aware that Mr L was experiencing any issues initially. Considering the description of the faults, the time that had elapsed since supply, and the mileage covered while the car was in Mr L's possession, unfortunately the onus was on Mr L to demonstrate that the car was inherently faulty. I appreciate that he's said there is no time limit to SMF's responsibility under the legislation, but that would only be relevant if liability and the cause of the faults had already been established.

The issues he experienced could be due to reasonably expected wear and tear given the high mileage when the car was supplied, or damage sustained during Mr L's possession of the car, or even a failed repair, which wouldn't be SMF's responsibility. Or it could point to a defect that was present at the point of supply. We don't now have any way of establishing what was wrong which meant it needed those repairs.

I've not seen sufficient evidence to clearly say the faults made the car not of satisfactory quality. I've considered Mr L's testimony, the invoices, diagnostics, and emails, but I haven't seen anything else such as an independent report. The diagnostics are unfortunately inconclusive, as they don't give an opinion on what caused the issues. I also have to take into account that I don't have any information about the servicing history of the car or how Mr L maintained it. I have to take into account the mileage that the car covered both before he acquired it and while it was in his possession. When the significant engine repairs were carried out in November 2024 the mileage was around 131,000, and by June 2025 the mileage was around 133,000, which meant Mr L had been able to cover around 21,000 miles since the car was supplied. Although I appreciate there were earlier significant repairs, when considering the failure of the FEM module, I don't think the car would have been able to do that if it wasn't of satisfactory quality when it was supplied.

Even if I were able to conclude that the earlier issues made the car not of satisfactory quality, Mr L agreed to those repairs, and a repair is also suitable remedy under the CRA. It seems the car was brought back to conform to the contract by the repairs, there isn't sufficient evidence to link the latest fault with the FEM module to any of the earlier repairs.

I'm not persuaded that the lack of a spare working key meant that the car wasn't of satisfactory quality when it was supplied. I have to take into account that it wasn't a brand-new car, and in addition there is still a lack of evidence about why the key didn't work.

I'm not saying something definitely didn't go wrong, merely that I don't think it would have been unreasonable for SMF to have expected there to be more detailed supporting evidence for the faults and confirming that they were present or developing at the point of supply, or that the car wasn't sufficiently durable. It would be impossible for me to say now, even on the balance of probabilities, that there was an inherent fault or that the car wasn't sufficiently durable.

Mr L explained the repairs he'd had done within the first six months of having been supplied with the car. So, at that point, it's possible that Mr L could have demonstrated the car wasn't conforming to the contract he'd entered at the point of supply, or it could have been assumed the faults were present or developing when the car was supplied. But Mr L didn't contact SMF until December 2024 and by then it had lost the opportunity to prove otherwise.

Ordinarily, SMF could have asked the supplying dealer to take a look at all the issues Mr L had raised, or it could have arranged for an independent inspection of the car to take place, to help determine when the faults may have arisen, whether they were due to reasonably expected wear and tear or an inherent defect, and establish liability. But by having the car repaired before notifying SMF of his concerns, Mr L has deprived it of the opportunity to have the car inspected with the faults present. I also appreciate that Mr L might not have been fully aware of his rights, but that doesn't mean I can direct SMF to do something when it wasn't aware of the issues he was experiencing.

Mr L is also unhappy that he needed to maintain payments while the dispute continued. SMF weren't required to suspend payments while the quality of the car was disputed. It needed to consider whether Mr L was in financial difficulties, but he's maintained throughout that has not been the case. It also needed to consider whether deferring payments might have made the agreement unsustainable overall, so I don't think it failed to take into account the obligations and rules set out by the FCA. And based on the evidence it had at the time I don't think the answer it gave in its final response was unreasonable, or that because of the alleged breach of contract that made the relationship fundamentally unfair.

As I explained earlier, I'm looking into matters that SMF considered in its final response dated July 2025. So, if Mr L has concerns about specific contact with SMF, such as the change of payment date and the customer service provided in calls, then he'll need to raise this separately as I'm not dealing with that in this decision.

I appreciate Mr L is unhappy he's paid a significant amount for repairs to the car. I'm sorry to disappoint Mr L, but without sufficient evidence of faults which made the car of unsatisfactory quality, I find I don't have the grounds to direct SMF to do anything further.

Mr L doesn't need to accept my decision, and he'll be free to pursue the complaint by other means, such as through the court, after obtaining legal advice, as necessary.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 2 February 2026.

Caroline Kirby
Ombudsman