

The complaint

Mr S complains about a car supplied to him using a hire purchase agreement taken out with Advantage Finance Limited (“Advantage”).

What happened

In December 2023, Mr S acquired a used car using a hire purchase agreement with Advantage. The car was almost eight years old, the cash price of it was £8,500, the agreement was for 60 months, made up of 59 regular, monthly repayments of £304.69, followed by a final payment of £504.69. The sales invoice for the car said its mileage at the time was 98,989 miles.

Within five months of the car being supplied, Mr S said he experienced issues with it, which made it undriveable. Mr S said he was informed by the supplying dealership to take the car to a third-party and that the repairs would be covered by them.

A diagnostic was completed by a third-party garage in May 2024 when the car had travelled 104,237 miles. The diagnostic said that the car had an oil leak which came from the head gasket due to a previous repair. Repairs were quoted at around £3,465.

Mr S said the supplying dealership denied agreeing to cover the cost of repairs and refused to take responsibility. Mr S said he was left with no option but to terminate the agreement in June 2024. Advantage later explained to Mr S the outstanding balance he owed them following the termination of the agreement.

Mr S complained to Advantage in June 2025 as, among other things, he didn't feel he should have been responsible for the cost of repairs. And towards the end of July 2025, Advantage issued their final response to Mr S, where they explained why they weren't upholding his complaint. In summary, they explained that the car was collected by them in August 2024 as it had been abandoned at the third-party garage and it was subsequently sold. Advantage also said that there wasn't any evidence to suggest the issue with the car was present or developing at the point of supply.

Unhappy with Advantage's response, Mr S referred his complaint to our service in August 2025.

Advantage explained to our service that when Mr S got in touch with them in April 2024 to inform them of the issues with the car, it had already been dismantled and was in the process of being diagnosed. So, Advantage said they advised Mr S to contact the supplying dealership to see if they would assist with repairs, as they said Mr S hadn't contacted the dealership yet.

Our investigator issued a view where she explained why she didn't uphold Mr S's complaint. In summary, she thought that repairs had been attempted before a cause of the fault could be identified and that the repairs were unauthorised. The investigator also thought it was fair and reasonable that failed repayments under the agreement were reported to credit reference agencies and to Mr S's credit file.

Mr S disagreed with the investigator's findings. Among other things, Mr S thought it was Advantage's responsibility to show that the fault with the car wasn't present or developing at the point of supply, given when issues occurred with the car.

The investigator further explained why she reached the outcome she did. As Mr S disagreed with the outcome, the complaint was 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.

Having done so, I'm not upholding this complaint and I'll explain why below.

I'm aware I have summarised events and comments made by both parties very briefly, in less detail than has been provided, largely in my own words. No discourtesy is intended by this. In addition, if there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is a fair outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as an alternative to the courts.

Mr S complains about a car supplied to him under a hire purchase agreement. Entering into consumer credit contracts such as this is a regulated activity, so I'm satisfied I can consider Mr S's complaint about Advantage.

When considering what's fair and reasonable, I take into account relevant law and regulations. The Consumer Rights Act 2015 ("CRA") is relevant to this complaint. The CRA explains under a contract to supply goods, the supplier – Advantage here – has a responsibility to make sure goods are of satisfactory quality. Satisfactory quality is what a reasonable person would expect – taking into account any relevant factors.

I would consider relevant factors here, amongst others, to include the car's age, price, mileage and description. So, it's important to note that the car Mr S acquired was used, around eight years old, had been driven almost 99,000 miles, and cost £8,500. I think a reasonable person would accept that it would not be in the same condition as a new car and was likely to have some parts that are worn.

What I need to consider is whether the car was of satisfactory quality when it was supplied. And in order to do that, I first need to consider whether the car developed a fault.

I don't think it is in dispute that the car developed a fault. But for completeness, I have reviewed the diagnostic that had been supplied to our service, created by a third-party garage. It explained that repairs were required to the head gasket, at an estimated cost of around £3,465.

Considering the above, I think it is likely there was a fault with the car, and specifically to the head gasket.

What I now need to consider is whether the fault with the car was present or developing at the point of supply. And I believe this to be the crux of the issue here, as this would determine the liability for the repairs that were required to the car.

However, in the circumstances, I'm mindful of a few things. Firstly, limited information has been supplied to determine liability of the repairs. While I appreciate issues with the car

presented themselves within a few months of the car being supplied, no evidence has been supplied to conclude that the issue with the car was present or developing at the point of supply, other than comments made by the third-party garage that inspected it, which said that it was due to "*previous repairs*". But no details have been supplied as to what these previous repairs were or how they reached that conclusion.

I'm also mindful that the car has since been sold. So, it is now difficult to determine whether the fault with the car was present or developing at the point of supply.

Mr S said it was agreed and authorised by the supplying dealership to have the car diagnosed by the third-party garage. While I appreciate Mr S's comments here, I haven't been provided with any evidence to suggest that happened, such as confirmation in writing that the investigations and works carried out by them were authorised.

And lastly, the car had been driven around 5,250 miles before a fault with it was diagnosed. I think it is likely that had the fault been present or developing at the point of supply, or due to failed repairs, it would have presented itself sooner than it had done, and before over 5,000 miles could have been driven in the car.

In the circumstances, I'm not satisfied that the car was supplied of unsatisfactory quality.

In relation to adverse information reported to Mr S's credit file, Advantage are obligated to report accurate information to credit reference agencies. The terms and conditions of the agreement Mr S signed with Advantage also explained what they would do, should payments be missed under the agreement. And so, in the circumstances, I think it is fair and reasonable for Advantage to have reported information to Mr S's credit file in relation to any missed payments or outstanding balance owed under the agreement.

My final decision

For the reasons I've explained, I don't uphold this complaint. So, I don't require Advantage Finance Limited to do anything more here.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 16 March 2026.

Ronesh Amin
Ombudsman