DRN-5996096

Financial Ombudsman Service

The complaint

Mr K is unhappy that a car supplied to him under a hire purchase agreement with Startline Motor Finance Limited was of an unsatisfactory quality.

What happened

In July 2024, Mr K was supplied with a used car through a hire purchase agreement with Startline. The agreement was for £6,090 over 53 months; with 53 monthly payments of £168.91 and a final payment of £178.91. At the time of supply, the car was almost eight years old and had done around 78,000 miles.

Mr K was concerned about the wet timing belt reaching the end of its natural life, and he says he agreed with the supplying dealership that they would replace it before the car was supplied to him. However, as the dealership wouldn't confirm in writing that this had been done, Mr K had this checked by an independent garage. And they confirmed the wet belt hadn't been replaced and was in a poor condition.

Mr K went back to the dealership, and, in November 2024, they told him they'd now completed this work. The car broke down in January 2025 with a coolant leak and Mr K complained to Startline. They arranged for the car to be inspected by an independent engineer. This inspection took place on 23 September 2024.

The independent engineer said the condition of the wet belt couldn't be established without removing the cam cover, but there was no evidence of any recent work to the upper engine area. The engineer also said that the vacuum pump had been recently replaced with a salvaged unit *"and this is one of the first affected components when the wet timing belt begins to break up."* The engineer concluded by saying *"at this stage we are unable to confirm any fault or whether this would have been developing at inception."*

Based on this report, Startline didn't uphold Mr K's complaint, but they did offer him a £75 gesture of goodwill due to their handling of the complaint. Unhappy with this response, Mr K brought his complaint to the Financial Ombudsman Service for investigation.

Our investigator said there was evidence that Mr K had discussed the replacement of the wet belt with the dealership, and that he'd supplied evidence which showed that hadn't been done. So, they thought Startline needed to do something to put things right.

The investigator recommended that Mr K should be allowed to reject the car, with a refund of the payments he'd made since the breakdown in January 2025, a refund of his additional transportation, diagnostic, and repair costs, and that Startline should pay him an additional £300 for the trouble and inconvenience he'd been caused.

Startline didn't agree with the investigator's opinion. They said the damage to the wet belt was most likely caused by the third-party garage who inspected it shortly after the car was supplied to Mr K, and there are no faults with the car they are liable for.

Because Startline didn't agree, this matter 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.

Having done so, I've reached the same overall conclusions as the investigator, and for broadly the same reasons. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome. Where evidence has been incomplete or contradictory, I've reached my view on the balance of probabilities – what I think is most likely to have happened given the available evidence and wider circumstances.

In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and (if appropriate) what I consider was good industry practice at the time. Mr K was supplied with a car under a hire purchase agreement. This is a regulated consumer credit agreement which means we're able to investigate complaints about it.

The Consumer Rights Act 2015 ('CRA') says, amongst other things, that the car should've been of a satisfactory quality when supplied. And if it wasn't, as the supplier of goods, Startline are responsible. What's satisfactory is determined by things such as what a reasonable person would consider satisfactory given the price, description, and other relevant circumstances. In a case like this, this would include things like the age and mileage at the time of sale, and the vehicle's history.

The CRA also implies that goods must confirm to contract within the first six months. So, where a fault is identified within the first six months, it's assumed the fault was present when the car was supplied, unless Startline can show otherwise. So, if I thought the car was faulty when Mr K took possession of it, and this made the car not of a satisfactory quality, it'd be fair and reasonable to ask Startline to put this right.

When considering this matter, I've also taken into consideration section 56 of the Consumer Credit Act 1974. This states that any negotiations conducted by the credit broker or supplier of goods are deemed to be conducted in the capacity of an agent of the creditor, and that this includes all communications and representations made. This means that, in this case, any discussions, communication, or representations made by the supplying dealership in respect of the wet belt were done so as an agent of Startline, for which Startline remain liable.

I've reviewed the correspondence between Mr K and the dealership which, unfortunately, is very one-sided – Mr K is regularly contacting the dealership, asking for updates etc., and, in response, there is very little from the dealership. However, this correspondence shows that, in very early August 2024, Mr K was in contact with the dealership about the wet belt – he raises the issue that the manufacturer guidelines are that this should've been replaced at 70,000 miles, that he's been told this has been done, and he's requested for this to be confirmed in writing.

Due to the lack of response from the dealership, Mr K had the car inspected by an independent garage. The inspection report is dated 14 August 2024 and states *"as per customers request examined camshaft drive belt. On inspection found camshaft drive belt to be in poor condition, found signs of cracking and pieces missing. Recommend to be replaced ASAP as this looks like the original wet belt."*

There is video evidence that supports this inspection – the video shows the cam cover had been removed and the wet belt to be worn and breaking up, especially along the edge. While

I appreciate that Startline have said the damage to the wet belt was most likely caused by the independent garage who completed the inspection, I disagree with this – the wet belt clearly shows signs of age related wear and not specific damage that could possibly be caused by, for example, a careless removal of the cam cover.

Notwithstanding this, Mr K has provided a copy of a recording of a conversation he'd had with the dealership a few days later when they confirmed they agreed to replace the worn wet belt. So, at this stage, the dealership accepted the wet belt should've been changed, hadn't been changed, and that they were going to do this. I'm also satisfied this is acceptance that the car wasn't of a satisfactory quality at the point of supply as the wet belt was worn to the point where urgent replacement was needed.

Mr K left the car with the dealership for the work to be done and, when the car was returned to him, he was assured the work had been completed. However, the dealership provided no evidence of any work being done.

The independent engineer's report of 23 September 2024 indicates that a second-hand vacuum pump had been fitted to the car, and this was one of the first components that would fail when a wet belt was failing. However, the engineer didn't remove the cam cover to confirm if the wet belt had indeed been replaced. Based on the evidence I've seen, I'm satisfied it hadn't been, and that the work done by the dealership in August 2024 was most likely the replacement of the vacuum pump instead.

The evidence also shows the car went back to the dealership in November 2024 for further work to be carried out. There is a note in the service book, stamped by the dealership, for 25 November 2024 which states *"Timing Belt [and] Water Pump Changed."* Mr K has also provided a recording of a conversation he had with the dealership where they confirmed the wet belt and water pump had been replaced. Mr K was charged £150 as a contribution towards the cost of this work, which the dealership insisted he pay by bank transfer.

On the recording, Mr K can be heard asking for a receipt for the payment, and the dealership can be heard refusing to provide this. Instead, they said they would send him an email to confirm what work had been done, and what he'd paid. There is no evidence they ever provided this, despite Mr K chasing them for this on several occasions during December 2024 and January 2025.

The car broke down on 20 January 2025 and hasn't been used since. The breakdown report indicates an issue with the coolant, probably a leak due to an issue with the pressure cap. The car was again inspected by an independent engineer on 31 January 2025. This report says there was a coolant leak from the water pump area, which had been sealed with silicone sealant, something *"indicative of a previous resealing attempt of replacement of the assembly."* This engineer also said the cam cover would need to be removed to assess the condition of the wet belt, something that wasn't done. However, the engineer also commented there was no indication the cam cover had been removed recently – something you would expect if the wet belt had been replaced a few weeks earlier.

As such, based on this evidence, I'm satisfied that the dealership didn't replace the wet belt and water pump in November 2024, despite them noting in the service book they'd done this, despite them telling Mr K they'd done this, and despite then charging Mr K for this work. Instead, I'm satisfied they just attempted to seal the leak on the water pump.

Given the above, I remain satisfied that Mr K was supplied with a car that wasn't of a satisfactory quality. As such, Startline need to do something to put things right.

Putting things right

Section 24(5) of the CRA says *"a consumer who has … the right to reject may only exercise [this] and may only do so in one of these situations – (a) after one repair or replacement, the goods do not confirm to contract."* This is known as the single chance of repair. And this applies to all issues with the goods, and to all repairs i.e., it's not a single chance of repair for the dealership AND a single chance of repair for Startline – the first attempted repair is the single chance at repair. As the dealership have made two attempts to repair the car – replacing the vacuum pump and sealing the water pump – this single chance of repair has already taken place.

The CRA is clear that, if the single chance at repair fails, as was the case here, then Mr K has the right of rejection. As such, Startline should now allow him to reject the car.

Mr K didn't have use of the car between 14 August and 5 October 2024, while the car was with the dealership for a repair that wasn't done. He's provided evidence that, during this time, he spent £231.49 hiring a car, and £506.91 in taxi costs. As Mr K wasn't offered a courtesy car by the dealership and was therefore paying for goods he was unable to use, I think it's fair that Startline reimburse these alternate transport costs.

In addition to this, Startline should also reimburse Mr K with the £112.50 diagnostic costs he paid on 14 August 2024 and the £150 he paid the dealership on 20 December 2024, as a contribution to the replacement of the wet belt and water pump that wasn't done.

Mr K should also receive a full refund of the payments he's made after 20 January 2025, when he stopped using the car due to the ongoing wet belt issues.

Finally, I think Mr K should be compensated for the distress and inconvenience he's been caused. But crucially, this compensation must be fair and reasonable to both parties, falling in line with our service's approach to awards of this nature, which is set out clearly on our website and so, is publicly available.

I note our investigator also recommended Startline pay Mr K an additional £300 to recognise the distress and inconvenience caused. And having considered this recommendation, I think it's a fair one that falls in line with our service's approach and what I would've directed, had it not already been put forward. So, this is a payment I'm directing Startline to make

Therefore, Startline should:

- end the agreement, ensuring Mr K is not liable for any monthly payments after the point of collection (if any payments are made, these should be refunded);
- collect the car at no collection cost to Mr K;
- remove any adverse entries relating to this agreement from Mr K's credit file;
- reimburse Mr K his alternate transport, diagnostic, and repair costs as specified above;
- refund any payments Mr K paid between 20 January 2025 and when the car is collected by Startline;
- apply 8% simple yearly interest on the refunds/reimbursements, calculated from the date Mr K made the payments to the date of the refund[†]; and
- pay Mr K an additional £300 to compensate him for the trouble and inconvenience caused by being supplied with a car that wasn't of a satisfactory quality (Startline must pay this compensation within 28 days of the date on which we tell them Mr K accepts my final decision. If they pay later than this date, Startline must also pay 8%

simple yearly interest on the compensation from the deadline date for settlement to the date of payment†).

†If HM Revenue & Customs requires Startline to take off tax from this interest, Startline must give Mr K a certificate showing how much tax they've taken off if he asks for one.

My final decision

For the reasons explained, I uphold Mr K's complaint about Startline Motor Finance Limited. And they are to follow my directions above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 3 February 2026.

Andrew Burford
Ombudsman