

The complaint

Mr K complains about a car supplied under a hire purchase agreement, provided by STARTLINE MOTOR FINANCE LIMITED ('SMF').

What happened

Around December 2023 Mr K acquired a used car under a hire purchase agreement with SMF. The car is listed with a cash price of £39,050, was around four years old and had covered around 35,544 miles. Mr K paid a deposit of £15,655.

Unfortunately, Mr K says the car developed issues. He said the car wasn't ready for collection due to an issue with the locks. He then said he only had the car for a few weeks before it broke down and was sent for a repair. He said it was with the garage for repairs for several months before being returned.

Mr K says he then only had the car for about three weeks before it went wrong again. He said it was taken for a repair and again said the garage had it for several months.

Mr K says when he got the car back, it then overheated, got stuck in gear and had issues with the brakes.

In January 2025 Mr K complained to SMF. SMF asked Mr K to provide evidence of a current fault with the car.

SMF issued its final response in March 2025. In summary, this said Mr K hadn't provided the information it needed to look into things. So, it said it was not upholding the complaint.

Mr K remained unhappy and referred the complaint to our service. He said he thought the car was totally unreliable. He said it was never repaired properly. And he said he thought the repairing garage had caused damage to the bodywork when it had the car.

Mr K told our service that the car still had faults and there was a problem with the braking system. And he explained the hybrid battery now gives him a lower range than it did previously.

SMF told our service that with Mr K's permission it would get the car independently inspected.

An inspection took place on 17 July 2025. The mileage was noted as 57,168. The related report said, in summary, that there was evidence of a poor repair to the body work and a fault with the brakes which meant the car wasn't safe to drive.

Our investigator issued a view and upheld the complaint. She said, in summary, that the evidence from the time showed the issues with the brakes had been present since March 2024. She also noted the car had previous repairs to the battery and coolant heater.

Our investigator said she believed the car wasn't of satisfactory quality when supplied. She said Mr K should now be able to reject it. She said he hadn't been able to use the car from 7

March 2024 to 18 December 2024, and from 27 December 2024 until 2 February 2025, and so thought SMF should reimburse monthly payments from these times. She said SMF should pay Mr K £300 to reflect distress and inconvenience caused. And she said SMF should reimburse Mr K £163 a month from the point of rejection for a warranty he purchased.

Mr K responded and said he agreed with the outcome but asked that £499 he had paid for an immobiliser in January 2024 was reimbursed.

Our investigator explained she thought it was reasonable that SMF reimburse Mr K 80% of the cost of the immobiliser.

SMF responded and disagreed. It said, in summary, that it doubted Mr K's car was in for repairs between March and December 2024. It said there was nothing to link the brake issue with earlier repairs and thought this was due to wear and tear. It said any damage to the bodywork should be corrected by the repairing garage. SMF said Mr K hadn't provided it with evidence when it had asked for this. And it said it had no responsibility for the warranty.

Our investigator issued a further view and explained she now thought SMF should reimburse Mr K monthly payments for the periods 7 March 2024 to 30 June 2024 and 20 December 2024 to 2 February 2025.

SMF disagreed and said it stood by its original response.

Mr K then got in touch and explained he'd not been able to drive the car on the motorway since it was first returned for repairs and so said he now thought he should get back half of all his payments.

As both parties remained unhappy, the complaint was passed to me to decide. I sent Mr K and SMF a provisional decision on 11 November 2025. My findings from this decision were as follows:

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 initially think this complaint should be upheld. I'll explain why.

Firstly, I'd like to explain to both parties that I might not comment on every point raised or every single piece of evidence. I want to reassure Mr K and SMF that I've carefully considered all of the available information. But, I'm going to focus my decision on what I consider to be the key facts and the crux of the complaint. This reflects the informal nature of our service.

When considering what's fair and reasonable, I take into account relevant law, guidance and regulations. The Consumer Rights Act 2015 ('CRA') is relevant to this complaint. This says, in summary, that under a contract to supply goods, the supplier – SMF here – needed to make sure the goods were of 'satisfactory quality'.

Satisfactory quality is what a reasonable person would expect, taking into account any relevant factors. I'm satisfied a court would consider relevant factors, amongst others, to include the car's age, price, mileage and description. The CRA also sets out that the durability of goods can be considered as part of satisfactory quality.

So, in this case I'll consider that the car was used, around four years old and had covered over 35,000 miles. This means I think a reasonable person would not expect it to be in the same condition as a newer, less road worn model. But, the car cost nearly £40,000, so I

think they would still expect it to be in good condition, free from anything other than minor faults and would expect trouble free motoring for some time.

What I need to consider in this case is whether I think Mr K's car was of satisfactory quality or not.

Mr K has said the car has had a lot of faults covering a significant period. So, I've considered the evidence I've been presented with and considered the faults this shows in turn.

Both parties should note that I am aware other issues have been raised, however I'm going to focus on the main faults. I also would like to explain up front that it is not simple in this case to work out exactly what happened and when. Respectfully, Mr K has been somewhat inconsistent with dates and timings, and I'm not convinced his testimony has been accurate. So, I've had to rely on paperwork from the time of repairs and what this shows to figure out what I think most likely happened.

I've seen a copy of a breakdown report from 7 March 2024. The mileage was recorded as 37,277. This said:

"Multiple warning lights, DSC, MIL. Diagnostic trouble codes stored for power supply distribution box. Brake boost battery discharged. Arranged recovery and hire car."

I've seen a job sheet from the repairing garage that states – "in 15/03/2024" "out 30/06/2024". This said:

"RECOVERED IN ISSUE WITH ELECTRICS, FIRST CENTRE CONSOLE KEEPS GOING OFF, TURNS CAR OFF .AND ON THEN OK.

THEN ISSUES WITH LIGHTS ON AND BRAKES THEN CAR SHUT OFF AND WOULD NOT RESTART"

"Requires new secondary battery & retest"

From the associated notes:

"CONFIRMED VEHICLE WON'T START"

"REPLACED BATTERY – TESTED OKAY"

From the same job sheet it is also noted:

"COOLANT LEVEL KEEPS DROPPING, 5 WEEKS BETWEEN HAVING TO TOP UP"

From a technician's write up at the time:

"CONFIRMED COOLANT LOSS"

"LOCATED LEAK TO HOSE COMING OUT OF EXHAUST MANIFOLD"

"REQ NEW HOSE"

"ROAD TESTED ok"

I've thought about this. In summary, I'm satisfied from this Mr K's car had a fault with the battery and a coolant hose on 7 March 2024 that was then repaired.

At this point, Mr K had the car for less than four months and had covered less than 2,000 miles. I think it's most likely on balance that these faults were either present or developing at the point of supply given when they occurred. In any event, I find a reasonable person would consider the car not to be durable even if this wasn't the case.

Considering this, I find the car supplied to Mr K was not of satisfactory quality due to these issues.

I've then seen a warranty invoice dated 27 December 2024. The mileage was noted as 41,455. This was in relation to a coolant heater. It noted Mr K's car had been recovered following a breakdown and stated:

"Intermittently cutting out carried out fault code read, replaced heater cleared codes all ok."

I'm satisfied Mr K's car had a fault at this point that required the coolant heater to be replaced. At this time, Mr K had the car for around a year and had covered about 6,000 miles. But I've also considered that there was a period of several months where it wasn't driven.

Thinking about this, from my understanding the coolant heater failed significantly earlier in its lifespan than I would expect. It follows I find this means the car wasn't durable due to this issue. And so, I find it was also not of satisfactory quality when supplied due to the coolant heater.

I've then seen a copy of a breakdown report from 28 March 2025:

"We have arranged for recovery of your vehicle. Transmission error turbine sensor issue lost drive arrange recovery and courtesy vehicle for member"

I've seen an invoice dated 9 April 2025 where the mileage was noted as 44,408. I'm satisfied this is likely linked to the above report. This said:

"Customer reported vehicle locking out of gears and would not get out of park.

Gearbox fault sign on dash came in. Vehicle working now. Intermittent issue

Checked and requires update Carried out and retest and all okay"

"Customer reported grinding / rumble from brakes at all speeds just before coming to standstill

Can hear from front

Checked and requires rear and front brake discs and pads and callipers"

"Customer reported overheating came on the dash came on once

Checked and carried out investigation. Found requires PCM updates. Carried out retested all okay"

"Customer reported only getting 2 miles out the hybrid battery

Checked and road tested all okay, Checked fault codes no fault in vehicle."

"Rear differential pinion seal leaking

Replaced and fitted rear differential pinion seal leaking”

From this, I’m satisfied Mr K’s car was likely displaying warning lights linked to the gearbox. Mr K’s testimony is that the car was stuck in gear, and this seems reflected in the notes above. The notes also don’t dispute what Mr K said about the car overheating.

So, I find it likely the car had issues with the gearbox and overheating. I appreciate these seem to have been repaired by a software update, and it’s hard to pinpoint exactly what went wrong.

I’ve also noted a seal needed replacing.

These issues are more finely balanced. But I’m satisfied a reasonable person wouldn’t expect these faults to arise when they did, especially considering that Mr K had been without the car for a reasonably significant period. It follows I find this also means the car wasn’t durable and so not of satisfactory quality due to these faults.

I haven’t seen enough to persuade me there was an issue with the hybrid battery.

I have thought about the brakes here, but I think it makes more sense to cover this off when considering the next piece of evidence I have.

I’ve seen a copy of the independent report from July 2025. The mileage was noted as 47,506. This said:

“With the engine off and on, the brake pedal was noted to sink almost to the floor under light Pressure”

“This indicates a serious hydraulic braking fault rendering the vehicle unroadworthy and unsafe.”

“There is insufficient evidence to conclude that the brake defect was developing at the point of sale.”

“Given the time elapsed and mileage accrued, this issue is likely to have arisen post-sale.”

So, I’m satisfied from this that the car had a serious problem with the brakes. At this time, Mr K had the car for around eighteen months and had covered nearly 12,000 miles.

I agree with the conclusion reached by the author of the above and find it very unlikely this fault was present or developing when the car was supplied.

This brings me to consider durability. It’s important to note that I’m satisfied from the report that the issue with the brakes was not due to needing new pads and callipers and instead was a “serious hydraulic braking fault”. That being said, I don’t know specifically what the fault was.

However, in general terms, I don’t think the hydraulic braking system failing, regardless of the cause, would represent an acceptable level of wear and tear on this car. I say this as it had covered less than 50,000 miles. And the impact of this fault is potentially very worrying.

Thinking about all of this, I find the car wasn’t durable due to the braking fault. And it follows this means I also find it was of unsatisfactory quality for this reason.

Both parties should also note when thinking about satisfactory quality above, I’ve also considered everything that happened in the round when drawing my conclusions. I’m

satisfied this points to an overall situation where I would consider that the car supplied was of rather poor quality.

Ultimately, this was a car from what many consider a premium brand, that cost around £40,000 and had covered just over 35,000 miles. I don't think a reasonable person would've expected it to consistently break down and need quite major repairs throughout the time Mr K has had it. I've also had in mind it's quite possible, if not likely, that it also required additional repairs to those above based on what Mr K told our service.

Finally, I've considered the cosmetic issues with the car. Mr K explained the repairing garage damaged and then repaired the bodywork.

This was noted in the independent report:

"The offside rear door repair quality falls well below manufacturer and industry standards, and other minor cosmetic issues remain unresolved."

"The overspray and poor repair quality appear to have occurred while the vehicle was in the custody of the (manufacturer name) dealer"

I've had in mind there is somewhat limited evidence here. Even if I accept what Mr K said, the damage would've been caused post supply by a third-party garage, not the supplying dealer, which raises questions about SMF's responsibility.

Ultimately, given all the above issues and what I think would be fair to put things right, which I'll come on to below, this specific issue wouldn't change the outcome I reached regardless of what I thought about it. So, I'm satisfied I don't need to make any further findings on this point.

Putting things right:

I've then considered what would be reasonable to put things right. Mr K has said he wants to reject the car. I find it remains of unsatisfactory quality despite several repairs. And this means I'm satisfied Mr K now has the final right to reject under the CRA.

I've gone on to consider what else needs to happen. And my thoughts differ somewhat here to our investigator.

It appears all the repairs were carried out under warranty, so I don't think Mr K is at any loss from the cost of these.

Mr K said he was without his car for around six months due to the initial repair. But I disagree. I've seen it broke down on 7 March 2024 from the breakdown report, and the job sheets noted the repairing garage had it until 30 June 2024. I will say, even if this is not as long a time as Mr K mentioned, it is still an extensive period.

Our investigator said SMF should reimburse payments made towards the agreement during this time. But I disagree. I think it's most likely Mr K was provided with a courtesy car and so kept mobile. I say this as the breakdown report stated – "Arranged recovery and hire car". If I am wrong about this, Mr K should provide any evidence in response to this decision. But as things stand, I don't think it would be reasonable for Mr K to not pay anything during this time given it appears he had use of a car.

Our investigator also explained she thought Mr K was without the car from 27 December 2024 until 2 February 2025. But I'm unsure of these dates. The information from the

paperwork at the time is somewhat confusing.

While 2 February 2025 is recorded on a document from the repairing garage, this date is noted as both dates 'in' and 'out' for the car. The document states it was created at the beginning of December 2024 – around two months before this and states it was printed around mid-December 2024. So, I find this is not a reliable piece of evidence.

So, there is something of a lack of clear evidence here. But I have noted Mr K's car was again recovered to the garage. The other times this happened I'm satisfied it's likely he was provided a courtesy car. So, I have assumed this was likely the case here as well. Even though I don't know the exact dates involved, I'm satisfied SMF can retain the payments from this period for the same reasons I noted above. I will again of course consider anything Mr K provides in response to this decision.

Similarly, from the breakdown in March 2025 it's difficult to work out the exact timings. But I've noted the breakdown report states – "arrange recovery and courtesy vehicle for member". So, again I find SMF can retain the payments from this period.

Our investigator said Mr K should be reimbursed the cost of the warranty. However, this was not financed under the agreement, so it's debateable what responsibility SMF would have. In any event, Mr K has had the benefit of this policy, so I find SMF does not need to take any further action.

Mr K requested that the cost of an immobiliser is reimbursed to him. I have considered whether this can be removed and retained by Mr K, but from information online it appears this is a complex job. Mr K has had some benefit from this. So, I think it's reasonable he covers some of the cost. But, thinking about the time he might have expected to use it against the benefit he had, this has been cut short specifically because of the issues with satisfactory quality. I agree with our investigator that it would be fair for SMF to reimburse 80% of the cost.

I have considered impaired use of the car. However it appears most of the issues were fixed, so I can't see these were ongoing.

That being said, I have assumed from what Mr K told our service that he continued to use the car after the recent issue with the brakes was noted, but he has explained this has been very limited. I do think from the time of the inspection any use of the car would've been impaired. So, I find SMF should reimburse him 20% of the repayments past this point.

I also agree with our investigator that Mr K has been caused distress and inconvenience because of what happened. She recommended SMF pay Mr K £300 to reflect this. Our service's approach to payments for distress and inconvenience can be found on our website. I've had this in mind and considered that this situation went on for a significant time. Mr K's car broke down on multiple occasions, meaning he had to get roadside assistance. He's been without his own car for long periods. And he's described the impact this had on him and his family.

Thinking about all of this, I think SMF should pay a higher amount of £500 to reflect the distress and inconvenience caused.

I gave both parties two weeks to respond with any further comments or evidence.

Mr K and SMF responded and made additional points for me to consider.

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've carefully thought about what both parties said in response to my provisional decision.

Mr K said he thought he should still get the repayments under the agreement back for the time his car was being repaired. He said, in summary, that he acquired a hybrid to do local trips in, but the courtesy cars provided were "*large diesel cars*", which meant it was too expensive for him to do his 'usual tasks'.

I've thought about this. There is somewhat limited information here, but the main thing is that Mr K was kept mobile, and while I've noted his concerns about fuel costs, I've not been provided with further evidence of this. So, this doesn't change my opinion.

SMF said, in summary, that Mr K should've reported all faults to it directly. I've considered this, but I don't think Mr K acted unreasonably by using his warranty to get the issues repaired.

SMF said it wasn't responsible for the cosmetic issues, but I noted in my decision this didn't affect the outcome of the complaint. I still think this is the case.

SMF said the 'threshold for proof' for a rejection hadn't been met here. And so it offered to repair the car instead of rejecting it. I've carefully considered this. But I'm still satisfied Mr K has the final right to reject the car.

I want to reassure SMF that I've carefully thought about everything else it said. And I've reconsidered all of the other information on the case. Having done so, I still think the complaint should be upheld. And I still think what I set out to put things right in my provisional decision is fair and reasonable under the circumstances. This is due to the reasons explained above.

My final decision

My final decision is that I uphold this complaint. I instruct STARTLINE MOTOR FINANCE LIMITED to put things right by doing the following:

- end the finance agreement ensuring Mr K is not liable for monthly rentals after the point of collection (it should refund him any overpayment for these if applicable);
- take the car back (if that has not been done already) without charging for collection;
- Reimburse Mr K's deposit of £15,655* from 18 December 2023;
- Reimburse Mr K 80% of the cost of the immobilizer - £399.20* - from 8 January 2004;
- Reimburse Mr K 20% of the repayments towards the agreement* from 10 July 2025;
- Pay Mr K £500 to reflect the distress and inconvenience caused;
- Remove any adverse information from Mr K's credit file in relation to this agreement

*These amounts should have 8% simple yearly interest added from the time of payment to the time of reimbursement. If SMF considers that it's required by HM Revenue & Customs to withhold income tax from the interest, it should tell Mr K how much it's taken off. It should

also give Mr K a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue and Customs if appropriate.

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

John Bower
Ombudsman