

The complaint

Mr B is unhappy with the quality of a car financed using a hire purchase agreement from AutoMoney Limited trading as AutoMoney Motor Finance.

What happened

In April 2024 Mr B entered into a hire purchase agreement with Automoney for a used car. The car was around eight years old and had been driven for around 48,000 miles. The cash price was £17,999.

Shortly after acquiring the car, it was returned due to a bonnet fault. Mr B says the car was repaired under warranty for three days. The car then experienced an oil leak which was again repaired under warranty. Mr B said this repair took fifteen days. A turbo fault was also then repaired under warranty which took a month to fix. Mr B only received a courtesy car for the time of the third repair.

In August 2024 the car then experienced a mechanical failure which made it undriveable. He was told by the dealership that the warranty had now expired so they were unable to help.

Unhappy, Mr B contacted Automoney and raised a complaint about the quality of the car.

As part of their final response to Mr B's complaint, Automoney tried to organise an independent inspection. Mr B was unable to reply straight away because of his health issues but he did then get in touch. An independent inspection report was then arranged which concluded that the warranty repairs had been done correctly and the current issues were not related to the quality of the car at the point of sale.

As a result, Automoney issued a final response saying that because the current issue wasn't an issue present at the point of sale, there was nothing further they could do.

Dissatisfied, Mr B brought his complaint to our service. He disagreed that the car was of satisfactory quality at the point of sale. He also said they had found out the car had modifications which he feels put a strain on the mechanical components. He said one of these modifications is illegal in the UK.

He also said there had been some service failings, including his representative not receiving a call back he requested and that the final response was sent directly to him and not his representative. He was also unhappy that Automoney didn't reopen the complaint after the independent report had been issued.

An investigator looked into what had happened and said they didn't think Automoney needed to do anything further. They said this because the independent report said the faults identified would not have been present or developing at the time of sale. They also didn't think the service issues meant that compensation needed to be awarded.

Since the investigators view, Mr B has taken his car to a garage which diagnosed a complete gearbox failure. He feels that he wouldn't have expected such a fundamental

failure to have taken place with the car. He says this indicates it wasn't of satisfactory quality when it was supplied.

I previously issued a provisional decision on this complaint as my findings were different from that of our investigator. In my provisional decision, I said:

Mr B acquired his car using a hire purchase agreement and so The Consumer Rights Act 2015 ("CRA") is a relevant legislation for this complaint. The CRA sets out expectations and requirements around the quality of goods supplied. In summary, goods should be of satisfactory quality. Section 9 of the CRA says that goods are of satisfactory quality if they meet the standard that a reasonable person would consider satisfactory. When considering the quality of a car, the age, mileage and price are things that need to be taken into account.

If the purchased goods are found to be defective after 30 days, then the supplier must be given one opportunity to repair each separate issue before a rejection can be considered.

I've first considered the findings of the independent inspection report. The inspection concluded that the current issues were not related to the quality of the car at the point of supply. It also didn't link the current issues to the previous repairs the car had. While I know Mr B feels differently, the independent inspector is an expert in the field. And so, I find his opinion on the issues persuasive.

Mr B also feels that there were undisclosed modifications made to the car which have contributed to the issues it had. Without persuasive evidence of this, I can't say it is the case.

Mr B also feels one of the modifications was illegal. I can't see he has complained to Automoney about this point. If Mr P wants to complain about that, he should do so to Automoney in the first instance.

I know Mr B feels that the amount of issues the car has had is unreasonable. He has said that all of them combined means that the overall quality of the car wasn't satisfactory.

However, I can't ignore that the previous faults identified with the car were successfully repaired. And because of this, I can't fairly say that Automoney hasn't fulfilled the requirements set out under the CRA. It follows that for these reasons; I don't think the previous issues means the car should be rejected.

I've also considered the recent diagnosis about the gearbox. I've thought about what Mr B has said but as the diagnosis doesn't evidence that the problems were present at the point of sale, I don't think it contradicts the findings of the independent report.

And so overall, considering everything I've said above, I can't say a reasonable person under the CRA would say that the car was of unsatisfactory quality at the point of sale.

I know Mr B was also disappointed with the service he received. I've considered what he has said but I won't be asking Automoney to do anything further. This is because while I think Automoney's service could've been better, ultimately, I think the outcome of their investigations were made clear to him and his representative.

Mr B has said that he wasn't supplied with a courtesy car when his car was in for warranty repairs. I asked Automoney for more evidence regarding this which they couldn't supply. So, without this, I don't think it's reasonable that Mr B pays for any time he was without the car during the warranty repairs. This is because without evidence to the contrary, I can't fairly say that these issues weren't present at the time of supply. And as a result, Mr B would've had loss of use as a result of the repair work.

From what Mr B has said, he was without his car for 18 days. Automoney has said Mr B's agreement is currently in arrears and so they should reduce the outstanding balance by this amount for the reasons I've explained above.

Automoney replied accepting the outcome of my provisional decision. Mr B didn't reply to my provisional decision by the deadline I set out.

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.

As I didn't receive any further comments from Mr B and Automoney accepted my findings, I see no reason to depart from the conclusions I reached in my provisional decision.

Putting things right

For these reasons, AutoMoney Limited trading as AutoMoney Motor Finance should reduce the arrears outstanding on Mr B's agreement. The amount the arrears are reduced by should reflect that Mr B wasn't able to use the car for 18 days and that he shouldn't be responsible for payments during this time.

My final decision

My final decision is that I uphold this complaint and ask AutoMoney Limited trading as AutoMoney Motor Finance to put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 6 January 2026.

Ami Bains
Ombudsman