

The complaint

Mr J's complaint relates to problems he had with a car supplied to him by Specialist Motor Finance Ltd (SMF) under a hire-purchase agreement.

What happened

The facts of this case are familiar to both sides and are not in dispute, so I don't intend to repeat them in detail here. Instead, I'll provide a summary.

Mr J entered into a hire purchase agreement with SMF in May 2024 to purchase a used car. The cash price of the car was £9,994. The total amount due under the agreement, including interest and charges, was £16,345. This was to be repaid through 59 monthly instalments of £263.05, followed by a final repayment (including payment of the Purchase Fee) of £273.05.

In December 2024 the vehicle suffered a blown head gasket, rendering it undriveable. I understand that the vehicle was taken to a local garage where the thermostat housing was replaced at a cost of £285. As the matter remained unresolved, Mr J contacted SMF to discuss his options. He was advised to gather further evidence (such as an independent inspection) of the faults.

Mr J arranged for an independent inspection to be carried out by an independent firm (Report A). The inspection was conducted in early January 2025. Noting the additional mileage since Mr J took ownership of the vehicle, Report A went on to conclude that *"the engineering evidence alone will not support the defect/s were pre-existing"*.

In late January 2025, Mr J raised his complaint with SMF about the quality of the goods. In doing so, Mr J requested a *"full refund of the purchase price as the vehicle clearly failed to meet the standards required under the Consumer Rights Act"* (CRA).

In February 2025, SMF issued its final response to Mr J's complaint. SMF did not uphold Mr J's complaint and, in doing so, relied on the conclusions within Report A.

Unhappy with this, Mr J asked our service to investigate his complaint.

Around this time, it is my understanding that Mr J arranged for the vehicle to be sent to a garage (I'll call Business S) for an engine replacement. Mr J was quoted £2,880 (inclusive of VAT) for the work. Whilst this work was undertaken, Business S identified other issues including a turbocharger failure, fuel system contamination, injector problems, and a blocked diesel particulate filter (DPF). It is also my understanding that these additional works were carried out. As a result, the invoice for the work increased to £4,632.

Through his own investigation into the history of the vehicle – which led him to contact a garage which had serviced the vehicle previously - Mr J discovered an invoice from said garage dated March 2024 (two months prior to inception of the agreement in question) which indicated that there was a possible problem developing with the head gasket. Mr J also supplied this information to SMF and, in doing so, asked it to review its stance.

As SMF's position appeared to remain unchanged, in mid-March 2025, Mr J instructed another firm to conduct a report of the vehicle (Report B). Report B (which was a desktop inspection) finds the "*mechanical failure was not attributable to fair wear and tear but rather stemmed from a pre-existing defect that should have been identified and disclosed prior to sale*".

As matters remained unresolved, one of our investigators looked into the complaint and, in June 2025, issued their first opinion. In short, the investigator was persuaded that the car was of unsatisfactory quality at the point of supply and concluded that SMF should, among other things, cover the cost of repairs to the vehicle.

In the weeks that followed there was quite a lot of correspondence between the investigator, Mr J and SMF. This led to the investigator issuing a second opinion in July 2025 in which their overall opinion remained unchanged, but they specified the amount SMF should cover for the repairs (this being the £4,632), as well as various other steps it needed to take to put things right.

Neither party agreed with this proposed resolution. And, as an agreement couldn't be reached, the case was passed to me to review afresh.

In November 2025, I issued a provisional decision. Here is what I had to say:

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 think the complaint should be upheld. However, my conclusion with regards to how SMF should put things right differs from the investigator. I'll explain why I provisionally think this is a fair outcome in the circumstances.

However, before I do, I'm aware that I've summarised this complaint above in less detail than it may merit. No discourtesy is intended by this. Instead, I've focussed on what I think are the key issues here. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

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 argument or piece of evidence to be able to reach what I think is the right outcome. I will, however, refer to those crucial aspects which impact my decision.

Lastly, I would add that where the information I've got is incomplete, unclear or contradictory, I've based my decision on the balance of probabilities.

The agreement in this case is a regulated consumer credit agreement. As such, this service is able to consider complaints relating to it. SMF was also the supplier of the goods under this type of agreement, and responsible for a complaint about their quality.

The Consumer Rights Act 2015 is of particular relevance to this complaint. It says, amongst other things, that every contract to supply goods is to be treated as including a term that the quality of the goods is satisfactory.

The Consumer Rights Act 2015 says the quality of goods is 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. So, it seems likely that in a case involving a car, the other relevant circumstances a court would take into

account might include things like the age and mileage at the time of sale and the vehicle's history.

The Consumer Rights Act 2015 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 can be aspects of the quality of goods.

SMF did not supply Mr J with a new car here. The car was around six years old and had travelled over 94,000 miles at the point of supply. And while it was not an inexpensive car - the price was a good deal less than it would have been new.

So, I think it is fair to say that a reasonable person would expect that it would not necessarily perform as well as a new car. And there would be a high risk – if not an inevitability - of wear and repairs arising from previous use and maintenance by former users. In other words, there's a greater risk this car might need repair and/or maintenance sooner than a car which wasn't as road-worn.

I don't think there's any dispute that Mr J has experienced problems with the car. This has been well evidenced by both Mr J's detailed testimony and the information both he and SMF has sent us, including independent reports and invoices from repairing garages.

But the simple existence of faults in itself isn't enough to hold SMF responsible for repairing the car or accepting its rejection. The legislation says that this will only be the case if the fault was present or developing at the point of supply

Under the Consumer Rights Act 2015, where a fault occurs within the first six months, it is assumed that the fault was present or developing at the point of supply and its generally up to the business to put things right. The business is allowed one opportunity to repair the fault. If the repair isn't successful, the consumer can reject the car. Where a fault occurs after six months, as is the case here, the burden of proof is reversed and it's up to the consumer to show that the fault was present or developing at the point of supply. I've kept this in mind when considering this matter.

The first problem Mr J encountered with the vehicle was when the vehicle suffered a blown head gasket, rendering it undriveable. This took place in December 2024 – around seven months after Mr J had taken ownership of it during which time the vehicle had travelled approximately 7,000 miles. Mr J took the vehicle to a local garage where a replacement thermostat was installed at a cost of £285. However, this did not appear to fix the problem because the mechanic noted that the engine was "still overheating so [they] carried out [a] gas test and [this] indicated head gasket failure".

After contacting SMF to discuss next steps, Mr J arranged Report A to be carried out. Report A said that there was an issue which would be consistent with a failed head gasket, and it offered three probable causes:

- 1) "The gasket deteriorates affecting its sealing ability and progressively fails; or*
- 2) Reduced clamping pressure to the gasket material in the failed location develops. The cylinder head bolts as with any fixings are highly stressed and in fact, during securing bolts are stretched. Over time the bolts start to lose the applied pressure at varying rates due to differentials in the torque originally applied and this effects the pressure applied to the gasket / clamping force, causing combustion gas or coolant creep.*
- 3) A localised hot spot due to other conditions may develop; coolant loss or poor*

coolant circulation, water pump defects, thermostat issues or external leaks, incorrect pressure cap etc”.

Report A concludes that, based on the mileage that Mr J has covered since the point of supply, it is unlikely this is due to an inherent issue from the point of supply.

Report A appears credible to me and is sufficiently detailed. Further, it includes a statement of truth to the court – so I have given it appropriate weight here. Based on the findings from Report A, coupled with the fact Mr J had covered around 7,000 miles before the head gasket failed, it would seem on the face of it that there was no inherent fault at the point of sale. The car had also cumulatively travelled around 101,000 miles by this point. Which overall, does indicate a high probability of wear and tear related component failure – rather than a car which was not sufficiently durable.

However, the particular circumstances here are not quite as straightforward.

I say this because there is persuasive evidence of a potential problem with the head gasket developing just two months prior to the point of sale.

An invoice from March 2024 shows that the coolant was topped up with 4 litres of water (over half of the vehicles cooling capacity) which indicates the vehicle was likely either leaking coolant or the fluid was being burnt within the engine at that time. The mechanic notes on the invoice that this “could possibly be the start of a head gasket problem”.

I understand this information was not available to the authors of Report A at the time. However, once made aware, it appears to maintain its position based on the age and mileage of the car from a durability perspective – rather than sufficiently address the events that occurred shortly before supply and the possibility of an inherent and ongoing issue since the point of sale.

I turn to Report B which, notwithstanding it was a desktop assessment, is also credible and sufficiently detailed. And it also contains a statement of truth to the court.

Report B cites the work carried out in March 2024, and particularly the amount of coolant added (indicating a substantial loss of fluid), the lack of visible leaks, together with the mechanic’s suspicion, pointing towards an internal fault most likely through the head gasket.

Report B goes to cite the presence of sealant in the cooling system as evidence of a temporary repair having taken place. Indeed, the technical evidence available in this case is consistent in identifying the presence of sealant inside the thermostat housing. After all, Report A notes “heavy staining in the coolant expansion bottle consistent with a cooling system sealant”.

And Report B says that “head gasket sealants are often used to temporarily plug minor breaches in the cooling system. Their presence is a strong indicate that someone attempted to suppress symptoms without conducting a proper mechanical repair”.

It is plausible this may have resulted in the vehicle appearing fault-free for a period of time enabling Mr J to travel around 7,000 miles before the issue occurred. Noting when the fault occurred, on balance, it seems unlikely the sealant was added after Mr J took possession of the vehicle.

Report B concludes that, “taken together, this invoice and the physical evidence of sealant present a compelling case that the fault existed prior to sale and was concealed through omission and temporary measures”.

This is not a clear cut case but, Mr J's credible testimony, coupled with the March 2024 invoice indicating possible problems with head gasket very shortly before the car was sold, as well as the detailed and credible findings of Report B (notwithstanding it was a desktop assessment), lead me to conclude, on balance, that the head gasket failure is likely as a result of the car not being of satisfactory quality at the point of supply – and it follows that this is something SMF needs to fairly put right.

Putting things right

I recognise and accept Mr J has requested to reject the vehicle at various stages throughout this matter. This is not in dispute. However, noting the timeline and the provisions within the CRA, I don't think Mr J is entitled to reject the car and, in any event, I do not think rejection of the car is fair to both parties. I am of the view that reimbursement for repairs is fairer in the circumstances.

I say this because rejection would only be available to Mr J as a remedy if, after an attempt to repair (or replace) the car, it doesn't conform to contract. I'm conscious that the work undertaken (specifically replacement of the engine) wouldn't necessarily amount to an attempt by or on behalf of SMF noting it was, as far as I am aware, carried out without its knowledge or agreement. But, putting that to one side, in the absence of evidence to suggest otherwise, the installation of a reconditioned engine should resolve the inherent fault which rendered the car of unsatisfactory quality. Therefore, I think, broadly, Mr J's rights under the CRA have now been met and the vehicle now conforms to contract.

I understand the engine has been replaced and the agreed price was £2,800 (inclusive of VAT). This does not seem unreasonable in the circumstances, and I think SMF should reimburse Mr J for this expense.

The issue here is that further repair works have been carried out, without SMF's knowledge or agreement, including work to the turbocharger and DPF sensor. As a result, the cost of works increased to £4,632.50.

I note Report B describes these additional issues as "related systems" but, at this stage, I have not seen persuasive evidence to suggest these additional issues stem directly from problems that were inherent at the point of sale as opposed to normal wear and tear expected of a vehicle of this age and mileage. Therefore, I am not currently persuaded that SMF needs to compensate Mr J for the cost of this additional work.

Similarly, it appears additional storage costs and labour costs have been added as a result of the car having been stored at Business S. This has resulted in the production of an updated invoice from Business S totalling over £10,000. In my view, these are not costs SMF could reasonably be expected to cover.

I understand Mr J is engaged in a separate dispute with Business S about the scope and costs of works undertaken. The storage costs appear to me to arise from that dispute, for which I have not found SMF responsible. It follows that I'm not going to require SMF to contribute towards those costs. Therefore, I make no further comment regarding this matter here.

Turning to other items of redress, Mr J has used the car up until it failed on 9 December 2024 so he should fairly pay for this use. However, while the car was awaiting and undergoing repairs, it was off the road and undrivable.

The car became undrivable on 9 December 2024. The invoice date for the replacement engine is 12 February 2025. In the absence of evidence to suggest otherwise, I assume this to be the date the works were carried out. It is at this point that, in my view, the car conformed to contract. Therefore, it appears Mr J was without use of the car for a total of 65 days due to it being of an unsatisfactory quality when it was supplied. And, as I understand it, SMF failed to keep Mr J mobile.

Mr J has told this service that he incurred hire car costs of £1,560 in this period. However, before I decide whether Mr J is entitled to a full refund of these costs, I have to consider whether Mr J mitigated any losses here – for instance by renting a cheaper car or using a cheaper company. With that being the case, I invite Mr J to provide further details – including documentary evidence (such as an invoice) – to evidence the costs he incurred hiring the car during between 9 December 2024 and 12 February 2025. I will consider if – and the extent to which – Mr J should be reimbursed said costs within my final determination.

For clarity, in the absence of such evidence I am minded, as an alternative resolution, to simply direct SMF to refund the equivalent sum of the monthly payments he made towards the agreement during this period to reflect his loss of use - this would total £526.10.

It is my understanding Mr J bought another car at some stage whilst the vehicle was undrivable. I assume this took place after he terminated his hire car agreement and, therefore, took place after the period in which I have found Mr J was without a vehicle due to an inherent fault. Therefore, I can't reasonably find SMF needs to compensate Mr J for any costs related to the purchase of another car.

Mr J should also be reimbursed for additional costs he has incurred totalling £825 which he has evidenced by way of invoices; including:

- £285 for the replacement thermostat; and
- £276 for the independent report (Report A) he had to commission; and
- £144 for the independent report (Report B) he had to commission; and
- £120 he paid to have the car recovered to a garage.

Finally, Mr J has described to this service the impact of this matter has had on him, including having to spend considerable time and go to great efforts to support his case. What's more, Mr J has clearly been extremely stressed by it all. I am very sorry to hear about the impact this has had and I have carefully thought about appropriate further compensation for this. I note our investigator has suggested £350 – and in the particular circumstances here I consider this fair as the matter has gone on for a considerable time and led to a notable impact on Mr J.

My provisional decision is that I uphold this complaint. To settle it, SMF should take the following steps:

1. Reimburse the cost Mr J incurred in replacing the engine totaling £2,880.
2. Reimburse the cost Mr J incurred replacing the thermostat - £285.
3. Reimburse the cost Mr J incurred by commissioning Report A - £276.
4. Reimburse the cost Mr J incurred by commissioning Report B - £144.
5. Reimburse the cost Mr J incurred in arranging to have the car recovered to a garage - £120.

6. *Subject to responses to this provisional decision, I am minded to also direct SMF to reimburse Mr J for part (or all) of his hire costs or refund the sum of the monthly payments Mr J made under the agreement from 9 December 2024 to 12 February 2025 to reflect loss of use.*
7. *Pay Mr J simple yearly 8% interest on all refunds (points 1-6) from the date of payment to the date of settlement; and*
8. *Pay Mr J £350 in recognition of his distress and inconvenience due to its handling of his claim.*

Responses to my provisional decision

I invited both parties to provide any further comments or submissions in response to my provisional decision.

Mr J raised a number of points in response to my provisional decision. I would like to assure Mr J that I've carefully thought about everything he has said however, I won't set out in detail here and, instead, I'll provide a summary. Mr J said:

- Right to reject
 - Once a vehicle is proven to have been of unsatisfactory quality at the point of supply, sections 8 and 20 CRA 2015 entitles the consumer to reject the goods and unwind the agreement.
 - SMF did not authorize a repair, therefore the 'one-repair opportunity' provision does not apply.
- Inconsistency in finding on conformity
 - The decision accepts that the car was not of satisfactory quality at the point of sale yet concludes that it now conforms to contract because a reconditioned engine was fitted; however, conformity must be assessed at the time of delivery, not retrospectively after replacement.
 - There is no evidence that the vehicle is now operational (and SMF have made no effort to assist in this regard).
- Consequential damage
 - No independent technical evidence has been provided to contradict the findings that the failed head gasket caused damage to the turbocharger, injectors and DPF system which Report B describes as 'related systems'.
 - It is inconsistent to accept Report B's conclusions on the head gasket but disregard its conclusions on consequential damage.
- Financial loss and loss of us
 - Mr J paid £263.05 per month in December 2024, January, February and March 2025 whilst the vehicle was undriveable and SMF failed to provide

alternative transport.

- Mr J requests SMF refund four monthly instalments to represent his loss of use over that period.
- Distress and inconvenience
 - SMF's *correspondence demonstrates a dismissive attitude and lack of support, contrary to FCA CONC 7.2.1R and 7.3.4R.*
 - Mr J's credit file has been *completely tarnished and he has had several mortgage applications now refused.*
 - Mr J compensation for distress and inconvenience be increased to £750 which aligns with our service's *own published guidance for cases involving significant and extended detriment.*

I would like to thank Mr J for taking the time to put together this response.

SMF accepted my provisional decision with no further comment.

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.

In my provisional decision I set out my intended findings and the reasons for them.

Neither party has disagreed with my conclusion that the car was of unsatisfactory quality at the point of supply. With that being the case – and having looked at everything that has been provided again carefully – I remain of the view SMF has not dealt fairly with the situation by declining Mr J's claim for the reasons it has.

Therefore, the only issue which remains outstanding is how matters should be put right.

Right to reject

Section 19(3) of the CRA sets out certain remedies available to the consumer for goods that are deemed to be not of satisfactory quality.

- (a) the short-term right to reject (sections 20 and 22);
- (b) the right to repair or replacement (section 23); and
- (c) the right to a price reduction or the final right to reject (sections 20 and 24).

Given when Mr J first complained about the problems with the vehicle I'm satisfied he has no short-term right to reject. To have a short-term right to reject a consumer must state their wish to reject and do so within 30 days beginning with the date possession of the goods have passed to them from the supplier.

Once a consumer's short-term right to reject has passed, a business has one opportunity to repair an identified fault that makes a car of unsatisfactory quality. As I said in my provisional decision, the work undertaken (specifically replacement of the engine) would not necessarily amount to an attempt by or on behalf of SMF noting it was, as far as I am aware, carried out

without its knowledge or agreement.

However, even if I were to accept it did amount to an attempt to repair by or on behalf of SMF, I have not been presented with persuasive evidence to suggest that these repairs failed. The only suggestion this *may* be the case is the findings of Report B which, on noting that further faults arose shortly after the engine replacement (namely turbo failure, injector and fuel rail problems and blocked DPF and emissions irregularities), said it raises “*concerns about the quality of...the replacement process*”.

Whilst I recognise it is possible that the engine replacement has not resolved the underlying problems, I am not persuaded that there is the weight of technical evidence to support this conclusion.

Therefore, I think, broadly, Mr J’s rights under the Consumer Rights Act 2015 have now been met and, in the absence of evidence to suggest otherwise, the vehicle now conforms to contract.

Whilst I recognise Mr J’s strength of feeling on this point, I don’t think rejection of the car is fair to both parties. In arranging repairs Mr J was acting in a way that was consistent with accepting repairs as a remedy, and I remain of the view that reimbursement for said repairs – which as I have said have not been sufficiently shown to have failed - is fairer in the circumstances.

For clarity, I don’t suggest Mr J would be unable to provide evidence to show that the repairs have failed. And SMF should be alive to the possibility that if Mr J does subsequently present further evidence to it in this regard, it might need to review its position.

Inconsistency in finding on conformity

Mr J says that the decision accepts that the car was not of satisfactory quality at the point of sale yet concludes that it now conforms to contract because a reconditioned engine was fitted; however, conformity must be assessed at the time of delivery, not retrospectively after replacement.

Section 23 of the Consumer Rights Act 2015 provides the trader with the right to repair the goods. Section 23(8) says “*‘repair’ in relation to goods that do not conform to a contract, means making them conform*”. Whilst I found that the car was not of satisfactory quality at the point of supply, I am satisfied, in the absence of persuasive evidence to suggest otherwise, that the repairs carried out have made vehicle conform to contract.

I understand Mr J says that there “*there is no evidence that the vehicle is now operational*”. But, ultimately it is up to the parties to a complaint to prove their case. And, as I’ve said, I have not been presented with sufficient evidence to suggest that the repairs have failed such that Mr J now has a right to reject the goods. However, as I’ve also said, SMF should be alive to the possibility that if Mr J does subsequently present further evidence to it in this regard, it might need to review its position.

Consequential damage

Mr J says that it is inconsistent to accept Report B’s conclusions on the head gasket but disregard its conclusions on consequential damage to the turbocharger, injectors and DPF systems which it describes as ‘related systems’.

I’ve thought carefully about this. On balance, whilst I am not disregarding any evidence provided, I do not find that there is sufficient technical evidence to support the claim that

these additional issues were either present or developing at the point of sale (or stem directly from problems that were inherent at the point of sale) as opposed to normal wear and tear expected of a vehicle of this age and mileage. The available expert evidence does not, in my view, draw a direct causal link between the failed head gasket and the other problems identified (and repaired) by the garage who installed the replacement engine. I say this noting that these issues were not identified in the findings of Report A.

So, whilst they are described in Report B as 'related systems' this does not, in and of itself, persuade me that SMF should be held liable for the cost of the repair of these items, particularly noting that these additional repairs were carried out without its (or, as I understand it, Mr J's) knowledge or agreement and did not form the basis of the initial claim.

I note Mr J suggests that Financial Ombudsman Service obtain an independent engineer's review before final determination. This service is unable itself to arrange for third party mechanics to look into things – we are reliant on the information provided by the complainant (Mr J) and the respondent (SMF).

Having weighed up matters carefully, I don't think SMF can fairly be held liable for these additional works.

Financial loss and loss of us

Mr J requests SMF refund four monthly instalments (December 2024 and January, February and March 2025) to represent his loss of use over that period.

I do not depart from my findings set out in my provisional decision with regards to reimbursement for loss of use.

The available evidence suggests the car became undriveable on 9 December 2024. The invoice date for the replacement engine is 12 February 2025 (which I assume this to be the date the works were carried out). It is at this point that, in my view and in the absence of persuasive evidence to suggest otherwise, the car conformed to contract. Therefore, it appears Mr J was without use of the car for a total of 65 days – or around two months a few days - due to it being of an unsatisfactory quality when it was supplied and SMF failed to keep Mr J mobile in that time.

In the absence of evidence of additional costs incurred by Mr J during this period, I think SMF ought to reimburse Mr J two months' worth of monthly rentals totalling £561.10 to reflect his loss of use of the vehicle.

Distress and inconvenience

Mr J has undoubtedly been put to the levels of frustration and stress than would reasonably be expected in day-to-day life. What's more, Mr J has had to spend a lot of time and go to not insignificant lengths in order to support his case, including arranging for an independent firm to carry out an inspection of the vehicle and contacting the previous owner/previous repairing garage. He's also had to spend time repeatedly engaging with both the supplying dealership and SMF about the car.

This is not an exact science but looking at our scale of awards for distress and inconvenience (as shown on our website) I consider that an award of £350 is fair and reasonable here. I understand Mr J may be expecting a lot more than this – but I don't consider that in line with our approach to compensation awards in the circumstances here.

I am sorry to hear about the impact this matter has had on Mr J. And, noting Mr J wishes to reject the vehicle, I understand he is likely to be disappointed by my decision in what is not a clear-cut case.

However, my role is to resolve disputes informally and, having reviewed everything provided by both parties, I do not depart from the findings within my provisional decision.

Mr J does not have to accept my findings and if he wishes he can pursue his dispute through more formal avenues such as court (seeking appropriate legal advice as he sees fit).

Putting things right

To settle the complaint, SMF should take the following steps (if it has not already done so) within 28 days of Mr J accepting this decision.

1. Reimburse the cost Mr J incurred by replacing the engine totaling £2,880.
2. Reimburse the cost Mr J incurred replacing the thermostat - £285.
3. Reimburse the cost Mr J incurred by commissioning Report A - £276.
4. Reimburse the cost Mr J incurred by commissioning Report B - £144.
5. Reimburse the cost Mr J incurred by arranging to have the car recovered to a garage - £120.
6. Refund the sum of the monthly payments Mr J made under the agreement from 9 December 2024 to 12 February 2025 (two months) to reflect loss of use.
7. Pay Mr J simple yearly 8% interest on all refunds (points 1-6) from the date of payment to the date of settlement; and
8. Pay Mr J £350 in recognition of his distress and inconvenience due to its handling of his claim.

My final decision

My final decision is that I uphold Mr J's complaint. Specialist Motor Finance Ltd should put things right as I've directed.

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

Ross Phillips
Ombudsman