

## **The complaint**

Mr C has complained about the quality of a car provided on finance by Zopa Bank Limited.

## **What happened**

Both parties are familiar with the events, so I'll briefly summarise them here. Zopa supplied Mr C with a used car on a hire purchase agreement in February 2023. The cash price of the car was around £8,500 and it had covered around 56,400 miles since first registration in March 2015. The hire purchase agreement required payments of around £200 for 54 months. Mr C paid a deposit of around £315.

In September 2024 Mr C complained to Zopa that he'd been supplied a car that wasn't of satisfactory quality. He said that within a short time after getting the car it was overrevving, there were power surges and it wasn't getting the miles per gallon that he was assured. The car was taken in for repairs at a third-party garage and Mr C says he wasn't told what repairs were made. When he got the car back, he said he was still experiencing the same issues but continued driving the car as he was assured that nothing was wrong.

Zopa asked Mr C to provide some independent evidence about the faults with the car, which would demonstrate that it was present when the car was supplied. Mr C commissioned an independent report which confirmed that the turbo had failed and said that the car was not of satisfactory quality when it was supplied. Zopa looked into the complaint and commissioned two further reports in order to establish who was liable. Ultimately it did not uphold the complaint and said it didn't think the current fault was present when the car was supplied.

Mr C continued to discuss the complaint with Zopa and also requested a subject access request (SAR). When that was delayed and he was unhappy with the content he received, he complained again. Zopa issued a further final response explaining that it wouldn't reconsider his complaint about the quality of the car, but it apologised for the delay in providing the SAR.

Mr C referred his complaint to our service and an investigator here looked at the complaint. She said that there wasn't sufficient evidence that there was a fault which made the car of unsatisfactory quality, and the content and delay of the SAR didn't affect the outcome. She didn't recommend that Zopa needed to do anything.

Mr C disagreed and in summary he said that the car was not of satisfactory quality when it was supplied and this was supported by his early reporting, the repairs that were completed and the continued presence of symptoms of poor engine performance. He said that information missing from the SAR was material.

Mr C asked for the complaint to be reviewed by an ombudsman, so it's been passed to me.

## **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.

When considering what is, in my opinion, fair and reasonable, I must take into account relevant law and regulations; regulator's rules including Consumer Duty, guidance and standards; codes of practice; and what I believe to have been good industry practice at the relevant time.

I've read and considered the evidence submitted by both parties, but I'll focus my comments on what I think is relevant. If I don't comment on a specific point, it isn't because I haven't considered it, but because I don't think I need to comment in order to reach what I think is the right outcome. This is not intended as a discourtesy but reflects the informal nature of this service in resolving disputes.

Where the evidence is incomplete, inconclusive, or contradictory (as some of it is here), I reach my decision on the balance of probabilities – in other words, what I consider is most likely to have happened in light of the available evidence and the wider circumstances.

Firstly, I am very sorry to hear about the difficulties Mr C has described to this service. I can't imagine how he must feel but thank him for bringing his complaint. I need to clarify that I'm only looking into a complaint about Zopa, rather than the other parties that might have been involved here.

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

The Consumer Rights Act 2015 (CRA) is of particular relevance to this complaint. It says that under a contract to supply goods, there is an implied term that "the quality of the goods is satisfactory."

The CRA says the quality of goods are 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. In a case involving a car, the other relevant circumstances might include things like the age and mileage at the time of supply and the car's history.

The CRA 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. Mr C has made reference to Zopa's liability under section 75 of the Consumer Credit Act 1974. To clarify, section 75 isn't relevant to this complaint. Zopa is responsible for the quality of the goods because it is, for the purposes of this agreement, the supplier.

When Mr C acquired the car in February 2023 the mileage was around 56,400 and the cash price was around £8,500. The car was first registered in March 2015, so by this stage it was nearly eight years old. It wouldn't be unreasonable to expect the car to be showing some signs of wear and tear, and that might include the underlying components. There would be very different expectations of it than if it was a brand-new car. The price paid usually reflects the age and condition of the car.

The CRA says that goods must conform to the contract within the first six months. So, if the goods are found to be faulty within the first six months; it's assumed that the fault was present when the goods were supplied, unless there's compelling evidence to suggest otherwise. Outside of those six months, it's for Mr C to show that the goods were not of satisfactory quality.

As a starting point there would need to be some evidence of what the fault was. And secondly, that the fault renders the car of unsatisfactory quality.

Mr C says that within a short time after getting the car it was overrevving, there were power surges and it wasn't getting the miles per gallon that he was assured. The car was taken in for repairs at a third-party garage and Mr C says he wasn't told what repairs were made. When he got the car back, he said he was still experiencing the same issues but continued driving the car as he was assured that nothing was wrong.

Zopa contacted the selling dealer and established that some cosmetic repairs were made in February 2023, and a third-party garage replaced the vacuum pump, fuel pump, and washer nozzle in April 2023. Mr C said that a courtesy car was supplied while the car was being repaired.

When something goes wrong with a car it isn't automatically something that the finance provider is responsible for. Sometimes the underlying components of a car suffer wear and tear which might mean that they come to the end of their serviceable lifespan during the course of a finance agreement.

Considering the description of the faults, the time that had elapsed since supply, and the mileage covered while the car was in Mr C's possession, I don't think it was unreasonable for Zopa to expect to see some independent evidence that there was a fault which made the car of unsatisfactory quality.

Although Zopa were the supplier of the car under the agreement, it was not aware that Mr C was experiencing any issues until he contacted it in September 2024. Zopa is not responsible for the actions of the selling dealer in this case, or how it dealt with him when he contacted it. I'll discuss Mr C's contact with Zopa in more detail later.

The issues he experienced could be due to damage sustained during Mr C's possession of the car, or reasonably expected wear and tear which wouldn't be Zopa's responsibility. Or it could point to a defect that was present at the point of supply or a failed repair.

Mr C was able to drive the car for around 24,500 miles before the car broke down in around April 2024. This is important to note as some of the issues may have arisen or become apparent during this time, but they may not have been present or developing at the point of supply.

Mr C commissioned an independent report in October 2024. The mileage at that point was around 80,900. The engineer confirmed that the engine had failed as a result of a worn turbo impellor bearing and shaft and that this would have been the cause of the symptoms he was experiencing. The engineer confirmed that in his opinion the car wasn't of satisfactory quality when it was supplied.

Zopa was entitled to seek its own expert opinion on the matter, so it commissioned its own report which was also carried out by an engineer. Unfortunately, this report conflicted with Mr C's report and there followed some disagreement between the parties. I think it was therefore reasonable for Zopa to commission a second report from another engineer. I note that all of the reports state the expert's qualifications and a statement of truth for the court.

I appreciate Mr C's point that neither of Zopa's inspectors actually saw the car. However, I don't think the actual diagnosis was in dispute. It seems everyone agreed that there was damage to the engine as a result of a worn turbo impellor bearing and shaft. So, I don't think

it was unfair for Zopa to rely on an expert opinion on the cause of the fault and whether it was present when the car was supplied, taking all the other evidence into account.

I don't hold myself to be an expert with mechanical engineering. I'm somewhat reliant on the experts that have provided reports. And where there are conflicting findings on where liability lies, and why, I find myself having to draw a conclusion taking into account all the specific circumstances of this case.

It seems clear that repairs were made in the early stages of the agreement and Mr C got the car back in April 2023. These appear to have been paid for by the supplying dealer. I don't think it would have done that if it didn't accept it had some liability. This leads me to conclude that the car was not of satisfactory quality when it was supplied. But a repair is a suitable remedy under the CRA, and in this case it seems more likely that those repairs brought the car back to conform to the contract. I say this because I haven't seen that Mr C reported any further issues to the selling dealer or Zopa until September 2024. I understand that he told Zopa that the relationship with the selling garage had broken down. But that doesn't mean I can direct Zopa to do something when it wasn't aware of the issues he was experiencing. And crucially none of the reports demonstrate persuasive mechanical evidence of failed repairs.

A service was carried out in September 2023, and no defects were reported (other than a worn locking wheel nut). The car also passed an MOT in February 2024 at around 72,400 miles with no advisories other than worn tyres. And it managed to travel until it reached 80,900 miles around two months later. I haven't seen anything which would indicate that the turbo failed prematurely. I'm aware that the car was advertised as having 56,385 miles and having been serviced at 6,000, 36,000 and 56,000 miles. Considering this was a car that was nearly eight years old that suggests that it hadn't been fully maintained in line with the manufacturer's recommendations throughout its history. Although I have to explain that there is no requirement for a second-hand car to have a full service history or any particular guarantees about the servicing history of the car.

I have seen that a pre-delivery inspection was carried out by an independent third party which stated that it passed its checks. But I've no way of knowing how the car was maintained or driven before or after it was supplied, and it seems that Mr C was able to drive around 24,500 miles in around 14 months while the car was in his possession. He's only supplied evidence of having serviced the car once in that time. I'm aware that a lack of maintenance or poor oil quality, throughout the car's history, can significantly accelerate wear on a car's turbo. Considering the mileage he covered, I don't think the car would have been able to do that if the fault with the turbo were present when the car was supplied, or if it came about due to a failed repair.

I appreciate that Mr C has drawn attention to the mileage discrepancy on the selling dealer's invoice. However, I think this is an anomaly when I look at all the other records such as MOT history, the finance agreement, and how the car was advertised. I think it more likely this was a typographical error and it doesn't lead me to conclude that he was told something different about the mileage of the car. I've also not seen any compelling evidence that he was told something else about the car which turned out not to be true.

I'm not saying something definitely didn't go wrong, merely that I don't think it was unreasonable for Zopa to have sought more detailed supporting evidence for the faults and confirming that they were present or developing at the point of supply, or that the car wasn't sufficiently durable. It's not possible for me to say now, even on the balance of probabilities, that there was an inherent fault which caused the turbo to fail or that the car wasn't sufficiently durable.

The issue here is not straightforward as it likely requires further detailed examination of the car and the expert evidence. I can understand Mr C's frustration, but I have to keep in mind that I am unable to compel or cross examine witnesses or investigate in the manner a court might.

Mr C says that Zopa hasn't supplied important evidence which shows that he contacted it during the early stages and that shows that the car wasn't of satisfactory quality. I'm sorry to disappoint Mr C but I haven't found any evidence of calls which indicate that he continued to contact Zopa after the initial repairs, which is what I think is key to this complaint. If Mr C was still experiencing issues with the car, then I would have expected him to take some action to mitigate the impact on him that he's described such as excessive fuel consumption and poor performance.

I've already explained that I think the car might not have been satisfactory quality when it was supplied due to the repairs needed, and it is reasonably clear that he at least attempted to let Zopa know about that. The call metadata doesn't conclusively show that the calls were successful or that there was a conversation about what had happened. But in any case, considering Mr C's detailed testimony, I think these calls would have likely related to the undisputed repairs carried out in February and April 2023. And even if Mr C were to say that it related to ongoing problems, I haven't seen any other evidence of contact between May 2023 and September 2024. So, I think he had further opportunity to get support before the car failed.

I don't think that Zopa was on notice that there was a further problem until he spoke to it in September 2024, and after that point it acted as I would expect, given the requirements of the CRA. While the car may well not have been satisfactory quality when it was supplied, it seems most likely it was brought back to conform to the contract by the early repairs. I haven't seen sufficient evidence to persuade me that those repairs failed, or that the car wasn't of satisfactory quality because it wasn't sufficiently durable. So, I don't find I have grounds to direct Zopa to do anything here to resolve his complaint.

Mr C doesn't need to accept my decision, and he'll be free to pursue the complaint by other means, such as through the court, after obtaining legal advice, as necessary.

Mr C has also indicated that he's maintained his payments towards the agreement. I'd encourage him to seek independent debt advice if he's in financial difficulties. And I'd remind Zopa to treat him with forbearance and due consideration.

### **My final decision**

My final decision is that I don't uphold this complaint.

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

Caroline Kirby  
**Ombudsman**