

The complaint

Mr C is unhappy that a car supplied to him under a hire purchase agreement with Blue Motor Finance Ltd (BMF) was not of a satisfactory quality.

What happened

In January 2024 Mr C was supplied with a used car through a hire purchase agreement with BMF. He paid an advance payment of £4,000 and the agreement was for £20,673.32 over 84 months; with 84 monthly payments of £198.48. At the time of supply, the car was around seven years old, and had done 51,800 miles.

Mr C said that the car suffered a catastrophic gearbox failure leaving him stranded on the motorway. He said that the car had also required a number of repairs in the time he had it. This included welding to the underside of the car, repairs to the parking sensors and speakers, a replacement battery, and a new timing chain.

He said this demonstrated the car was not of a satisfactory quality or durable as set out in the Consumer Rights Act 2015 (CRA). He said BMF dismissed his complaint without properly investigating the underlying faults or durability concerns of the vehicle, despite clear evidence that it has suffered multiple major failures. He said the independent report was inadequate and speculative, and did not identify the true cause of failure.

Mr C says that he sought to voluntarily terminate (VT) the agreement after BMF rejected his complaint about the satisfactory quality of the car. He said that he wanted to complain about new internal rules BMF had introduced that meant customers had to pay for repairs and transport before VT. I'm not considering that element of his complaint as BMF have not had the opportunity to respond.

BMF said the independent inspection they'd arranged confirmed that *"there is a transmission defect on the vehicle, consistent with clutch wear. Based on the significant time and mileage successfully elapsed since inception and the previous unrelated repairs, it is not considered that the current issue would have been developing at inception"*.

They said Mr C had done 30,000 miles in the car and concluded that the faults were due to normal wear and tear.

Mr C was unhappy with this response, so he referred his complaint to our service for investigation.

Our investigator didn't uphold Mr C's complaint. He said the independent report concluded that the gearbox fault was not developing at the point of sale. He said this occurred over two years on from the point of sale and the car had travelled close to 30,000 miles since acquired, and more than 81,000 miles in total.

He said that he had not seen any evidence to say that the gearbox failure was an inherent defect and could not hold BMF liable for this.

Mr C didn't agree with the investigator. He said his complaint was not limited to a single gearbox fault – he said the car had experienced a pattern of major mechanical issues since inception. He said this demonstrated a lack of durability.

He said the CRA not only considered whether the gearbox fault existed at point of sale but whether the repeated serious failures showed the goods hadn't lasted a reasonable length of time or performed as a reasonable customer would expect.

Because Mr C didn't agree, this matter has been passed to me to make a final decision.

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 C was supplied with a car under a hire purchase agreement. This is a regulated consumer credit agreement which means we are able to investigate complaints about it.

The Consumer Rights Act 2015 (CRA) covers agreements such as the one Mr C entered into. Under this agreement, there is an implied term that the goods supplied will be of satisfactory quality. The CRA says that goods will be considered of satisfactory quality where they meet the standard that a reasonable person would consider satisfactory – taking into account the description of the goods, the price paid, and other relevant circumstances. I think in this case those relevant circumstances include, but are not limited to, the age and mileage of the car and the cash price. The CRA says the quality of the goods includes their general state and condition, as well as other things like their fitness for purpose, appearance and finish, freedom from minor defects, safety, and durability.

So, if I thought the car was faulty when Mr C took possession of it, or that the car wasn't sufficiently durable, and this made the car not of a satisfactory quality, it'd be fair and reasonable to ask BMF to put this right.

Here, I'll consider that Mr C's car was around seven years old and had covered almost 52,000 miles. So I don't think a reasonable person would expect it to be in the same condition as a newer, less road worn one. And I'm satisfied they would expect the car to have parts affected by wear and tear

Independent Engineer's Report

I've seen a copy of the independent engineer's report, dated 16 October 2025. In this report, the engineer concluded "*that there is a transmission defect on the vehicle, consistent with clutch wear*". He also said that the defect would not have been developing at the time the car was supplied to Mr C, and there were no durability concerns. He said this based on Mr C's significant successful use of the car.

The engineer also confirmed their duty is to the courts, not to the person who instructed or paid for the report. As such, I'm satisfied this report is reasonable to rely upon.

Mr C has provided a copy of an invoice dated 7 October 2025 from a garage. It says the car was recovered by the breakdown recovery service with a gearbox fault showing on the dashboard. It said the "*Vehicle does not run. Ran diagnostic on the vehicle and gearbox fault code appear, vehicle will require a new gearbox as appears to be a sudden mechanical failure*".

This confirms the fault with the gearbox, but the garage gave no explanation of the cause of the failure. So, in the absence of any other explanation, I'm persuaded by the expert opinion given by the independent engineer. I agree that it's unlikely Mr C would've been able to drive the car 30,000 miles in two years if the gearbox had been faulty when he acquired the car.

So I'm satisfied that the gearbox fault was not present or developing at the time of supply. That means I'm satisfied that the car was of a satisfactory quality when supplied to Mr C.

Mr C says the history of faults demonstrates that the car wasn't sufficiently durable. He says the car needed a new battery within a week of purchase, the timing chain was replaced shortly after, and the exhaust required repairs. Those parts are subject to wear and tear, so in the absence of any other evidence, I think it's more likely than not that these parts were replaced or repaired as they had reached the end of their life, not because they weren't of a satisfactory quality.

It follows that I'm satisfied that the car was sufficiently durable. That's because the repairs to the car appear to have been required due to natural wear and tear and not because of any defect with the car or the individual parts.

So I won't be asking BMF to take any action to resolve this complaint.

As I stated above, I've not considered Mr C's complaint about BMF's voluntary termination process. If he has not already done so he needs to make that complaint to BMF. This service can consider that complaint if Mr C is not happy with the response from BMF.

My final decision

For the reasons explained, I don't uphold Mr C's complaint about Blue Motor Finance Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 28 January 2026.

Gordon Ramsay
Ombudsman