

## **The complaint**

Mr R is unhappy that a car supplied to him under a hire purchase agreement with SECURE TRUST BANK PUBLIC LIMITED COMPANY trading as Moneyway (STB) was not of a satisfactory quality.

## **What happened**

In November 2024 Mr R was supplied with a used car through a hire purchase agreement with STB. The agreement was for £19,776.40 over 60 months; with 59 monthly payments of £329.44 and a final payment of £339.44. At the time of supply, the car was around seven years old, and had done 58,481 miles.

Mr R said that in May 2025 the engine failed. He said there was a loss of power, smoke from the exhaust, and the engine was misfiring. He took it to a local manufacturer specialist garage. It said the car had suffered internal engine failure and would need a new engine, at a cost of around £15,000. The car had done 66,000 miles at this point.

STB said Mr R had supplied them with the diagnostic information from the manufacturer specialist garage, and the breakdown reports. They said they had referred these to the credit broker that had been involved in the supply of the car. They said they would arrange for an independent inspection of the car. It appears this was delayed as STB thought the broker was arranging the inspection, and it thought STB were arranging it.

STB didn't complete their investigation, so Mr R referred his complaint to our service for investigation. In October 2025 they supplied a report from an independent engineer. They didn't add any comment or opinion with the report.

Our investigator said she was satisfied the car was not of satisfactory quality when it was supplied to Mr R and, in particular it wasn't reasonably durable. This was based on the reports from the specialist garage and the independent engineer.

Our investigator didn't think it would be fair and reasonable to ask STB to repair the car as she didn't think it would be economical to do so. She thought that Mr R should be able to reject the car.

STB responded with comments from the supplying dealer. It said the car had been serviced and had passed an MOT before it was supplied to Mr R. It said Mr R had covered approximately 8,391 miles in the time he had the car, and said that he wouldn't have been able to drive this distance if the car had not been of satisfactory quality.

Because STB 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 R 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 R 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, and durability.

So, if I thought the car was faulty when Mr R 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 STB to put this right.

I've seen a copy of the independent engineer's report, dated 25 August 2025. In this report, the engineer concluded the engine had a severe misfire with evidence of damage to a piston/cylinder.

He said the engine misfire could be traced to internal damage, and the failure of the engine was premature. He said that such a significant failure within 8,400 miles was incompatible with reasonable durability under the Consumer Rights Act 2015.

He also said that it was more likely than not that the defect was present or developing at the point of sale. This was based on the evidence of a prior repair.

The engineer also confirmed his 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.

This report supports the diagnostic report supplied by Mr R from an independent manufacturer garage. It also found that the car had suffered internal engine failure and a new engine was needed.

So I'm satisfied that the car was not of a satisfactory quality – in particular it wasn't sufficiently durable. That's because the engine failed when the car was eight-years old and had done just 66,881 miles. The lifespan of an engine depends on various factors. But it's reasonable to expect the engine on a car of this type to last 150,000 miles, or at least 10 years.

And there's no evidence that the fault occurred due to any driving style or misuse by Mr R.

The dealer challenged the independent engineer's opinion. It said the car wouldn't have passed the MOT due to emissions if the car was over fuelling at the time of sale. But the

engineer's report shows that he was aware of the MOT history, so I remain persuaded that his report is reliable and persuasive.

The supplying dealer said it should have the chance to inspect the car. But STB is the respondent in this case. It was STB who agreed to an independent inspection of the car. I've explained above why I'm satisfied I can rely on that report. Mr R also provided a report from a specialist manufacturer garage. So I'm satisfied that I have sufficient information to rely upon.

And for the reasons I've explained, that information persuades me that the car was not of a satisfactory quality, as it wasn't sufficiently durable.

### **Putting things right**

Both the manufacturer garage and the independent engineer report that the engine needs to be replaced. The cost given for this varies between £9,900 and more than £15,000. It appears that the cost of the repair is uneconomical. That's because the cost of replacing the engine is around the value of the car.

So I think it is reasonable that Mr R be able to reject the car.

### Payment Refund

Mr R was able to use the car up to the point it broke down on 11 May 2025. I think it's only fair that he pays for this usage. So, I won't be asking STB to refund any of the payments he made up to that point.

But the car has been off the road and undrivable since 11 May 2025 and Mr R wasn't supplied with a courtesy car. I'm aware that STB allowed Mr R to pause payments whilst this complaint was being considered.

As, for the reasons already stated, I'm satisfied the car was off the road due to it being of an unsatisfactory quality when it was supplied, and as STB failed to keep Mr R mobile, I'm satisfied they should refund any payments he made for the period from 11 May 2025, and they should waive any payments due, but not made, after this date.

### Other Costs

Mr R has provided evidence of the costs he incurred in having the car recovered, and for the diagnostic report from the independent garage. And, given that these costs arise directly from the car not being of a satisfactory quality when supplied, I think it's only fair that STB reimburse / pay these costs.

### Distress & Inconvenience

It's clear that Mr R has been inconvenienced by not having a car that he could use since May 2025, especially for work given his irregular working hours. STB should pay him £250 in compensation to reflect the distress and inconvenience caused.

Therefore, STB should:

- end the agreement with nothing more to pay;
- collect the car at no cost to Mr R;

- remove any adverse entries relating to this agreement from Mr R's credit file;
- refund the payments made for the period from 11 May 2025, and waive any payments due but not made after this date;
- refund the £100 cost for recovery, and the £285 cost of the diagnostic report;
- apply 8% simple yearly interest on all of the refunds set out above, calculated from the date Mr R made the payments to the date of the refund<sup>†</sup>; and
- pay Mr R an additional £250 to compensate him for the distress and inconvenience caused by being supplied with a car that wasn't of a satisfactory quality.

<sup>†</sup>If STB considers that tax should be deducted from the interest element of my award, they should provide Mr R with a certificate showing how much they have taken off so he can reclaim that amount, if he is eligible to do so.

### **My final decision**

For the reasons explained, I uphold Mr R's complaint about SECURE TRUST BANK PUBLIC LIMITED COMPANY trading as Moneyway and they are to follow my directions above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 20 January 2026.

Gordon Ramsay  
**Ombudsman**