

The complaint

Mrs B is unhappy that a car supplied to her under a hire purchase agreement with Advantage Finance Ltd was of an unsatisfactory quality.

What happened

In January 2024, Mrs B was supplied with a used car through a hire purchase agreement with Advantage. She paid an advance payment of £1,500 and the agreement was for £9,495 over 59 months; with 58 monthly payments of £298.98 and a final payment of £498.98. At the time of supply, the car was around seven years old and had done around 80,000 miles.

Mrs B says that the car broke down in February 2024 due to a major transmission and gearbox fault, and this was repaired by the supplying dealership. Mrs B says the car broke down again, with the same fault, in June 2025, and she stopped using the car at that point.

She complained to Advantage, who arranged for the car to be inspected by an independent engineer. This inspection took place on 10 September 2025. The engineer said the car was losing power and the clutch was slipping, and that there were fault codes relating to the transmission. However, the engineer didn't think the faults would've been present or developing when the car was supplied.

Based on this report, Advantage didn't uphold Mrs B's complaint. So, she brought the matter to the Financial Ombudsman Service for investigation.

Our investigator said that Mrs B had raised some complaints about the service she had received from the finance broker, and they explained why we were unable to consider these issues against Advantage. They also said there was no evidence that showed any breakdown, or work done on the car, in February 2024, nor that Mrs B had raised her issues with Advantage before 18 July 2025.

With regards to the car, the investigator agreed there were current issues but said there was nothing to show these were present or developing at the point the car was supplied, or that they are as the result of a previous failed repair. Finally, the investigator said there was no evidence to support Mrs B's claims that Advantage had delayed in dealing with her complaint. As such, they didn't think Advantage needed to do anything more.

Mrs B didn't agree with the investigator's opinion. She provided emails to show that she had raised issues with Advantage on 4 July 2025, and that the car had faults in February 2024. She also said that the mileage on the independent engineer's report was wrong, and the car failed at 86,343 miles. She felt the car had a known recurrent fault, so it was defective when it was sold to her, and the current faults with the car weren't as a result of wear and tear.

Mrs B also says that it took Advantage from 4 July to 21 July 2025 to formally log her complaint, which was an unfair delaying tactic. And she asked that this matter be passed to an ombudsman to decide.

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

The Consumer Rights Act 2015 ('CRA') says, amongst other things, that the car should've been of a satisfactory quality when supplied. And if it wasn't, as the supplier of goods, Advantage are responsible. What's satisfactory is determined by things such as what a reasonable person would consider satisfactory given the price, description, and other relevant circumstances. In a case like this, this would include things like the age and mileage at the time of sale, and the vehicle's history and its durability. Durability means that the components of the car must last a reasonable amount of time.

The CRA also implies that goods must conform to contract within the first six months. So, where a fault is identified within the first six months, it's assumed the fault was present when the car was supplied, unless Advantage can show otherwise. So, if I thought the car was faulty when Mrs B 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 Advantage to put this right.

Before I explain why I've reached my decision, I think it's extremely important for me to set out exactly what I've been able to consider here. Mrs B has complained that Advantage Unfairly delayed handling her complaint, taking from 4 July to 21 July 2025 to formally log this, and not issuing their final response until 12 September 2025, which is more than the eight weeks they are allowed. While this has been noted, complaint handling is an unregulated activity and so, falls outside of our service's jurisdiction to consider. So, the way Advantage handled Mrs B's complaint hasn't been considered as part of my decision.

Turning to the issues with the car itself, Mrs B says there was a transmission and gearbox fault in February 2024 that was repaired by the supplying dealership. She's supplied an email from the finance broker, dated 12 February 2024, which acknowledges "*notification that you are having vehicle issues.*" A follow up email dated 14 February 2024 confirms the car was being collected by the supplying dealership for inspection and repairs.

While there is no evidence to show what the actual issues with the car were, or what was done to repair it, I have no reason to doubt Mrs B's testimony that this was the gearbox and transmission issue she's said it was. Section 24(5) of the CRA allows for a single chance of repair, and I'm satisfied the repairs undertaken by the dealership in February 2024 were that single chance of repair. This means that, if the single chance of repair failed, or if there were any other faults with the car that were present or developing when the car was supplied, Mrs B would have the right of rejection.

The car broke down again in June 2025. I've seen a copy of the independent engineer's report which says this fault occurred at 86,343 miles - around 6,000 miles since the car was supplied to Mrs B and the repair was undertaken by the dealership. While Mrs B disputes the mileage on the car at the time of this inspection was 90,760, and she says it's still around 86,343, I note that she hasn't provided a photo of the current mileage on the car to support this. However, I don't think this is relevant, and I'll explain why.

It's not disputed there is a current fault with the car, nor that this occurred around 6,000 miles after supply and the previous repair. Had the previous repair been unsuccessful, I don't think the car would've been able to travel 6,000 miles, and it would've broken down sooner. So, I'm satisfied that this failure is not linked to the earlier repairs to the car, even if they are in the same general area – the transmission and gearbox. What's more, if the issue that caused the current breakdown had been present or developing when the car was supplied to Mrs B, again I would've expected this failure to occur sooner than 6,000 miles and almost 18-months.

Mrs B has said there is a recurrent fault with the car that made it defective when it was supplied to her. This hasn't been confirmed by the independent engineer who inspected the car. What's more, Mrs B hasn't provided anything, for example a report from a different independent engineer, or a report or diagnostic from an independent garage, that shows this was the case.

The gearbox and transmission on the car supplied has an expected lifespan of 60,000 to 100,000 miles, and this failure took place at 86,343 miles. As such, the car didn't fail due to a lack of durability, and I'm satisfied that it's more likely than not that the current issues with the car are as a result of expected in-service wear and tear. Therefore, and while I appreciate this will come as a disappointment to Mrs B, this isn't something Advantage are responsible for, and I won't be asking them to take any further action.

My final decision

For the reasons explained, I don't uphold Mrs B's complaint about Advantage Finance Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 11 March 2026.

Andrew Burford
Ombudsman