

The complaint

Mr M complains about the quality of a car he acquired under a hire purchase agreement with Metro Bank PLC trading as RateSetter (RateSetter).

When I refer to what Mr M and RateSetter have said and/or done, it should also be taken to include things said and/or done on their behalf.

What happened

In August 2023, Mr M entered into a hire purchase agreement with RateSetter to acquire a used car. The car was first registered in March 2017. At the time of supply the car had travelled around 23,150 miles. The total cash price of the car was £22,490. There was a deposit of £8,000. The duration of the agreement was 36 months consisting of 36 monthly payments in the amount of £495.03, followed by a final payment plus an option to purchase fee totalling £495.04.

Mr M said, when the weather changed and it started raining more, he started hearing a sloshing sound at the back of the car. Over the next few months, the sloshing noise got progressively worse, and it sounded like there was water splashing around somewhere in the back of the car. In October 2023, all the sound in the car stopped working, included the music and the warning tones. In November 2023, the main dealer for the car brand identified that a new amplifier located in the boot was needed due to water ingress into the control unit located in the area, the connections were also corroded.

The main dealer said it would cost £1,000 for them to do the diagnostics to trace the source of the water ingress as they would have to dry the car out. When Mr M contacted his warranty company, as a gesture of goodwill, they offered to contribute £1,300 towards the repairs as, they said, Mr M never selected the multimedia cover. The supplying dealership fixed the issue, however, in March 2025 Mr M raised a complaint with RateSetter, explaining that the same issues have reoccurred.

On 13 March 2025, RateSetter wrote to Mr M. In this correspondence they said, given the length of time Mr M had the car and raised the complaint more than six months after the car was supplied, he would need to provide evidence that the fault was present or developing at the point of supply.

As Mr M remained unhappy, he referred his complaint to us; the Financial Ombudsman Service (Financial Ombudsman).

Our investigator considered Mr M's complaint and was of the opinion that there was not enough evidence to say that the car was of unsatisfactory quality.

Mr M did not agree, as such the complaint has been passed to me 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.

Where evidence is unclear or in dispute, I reach my findings on the balance of probabilities – which is to say, what I consider most likely to have happened based on the evidence available and the surrounding circumstances.

In considering what is fair and reasonable, I need to take into account the relevant rules, guidance, good industry practice, the law and, where appropriate, what would be considered good industry practice at the relevant time. Mr M acquired the car under a hire purchase agreement, which is a regulated consumer credit agreement. Our service can look at these sorts of agreements. RateSetter is the supplier of goods under this type of agreement and is responsible for dealing with complaints about their quality.

I have summarised this complaint briefly, in less detail than has been provided, and largely in my own words. No discourtesy is intended by this. If there is something I have not mentioned, I have not ignored it. I have not commented on every individual detail. However, I have focussed on those that are central to me reaching, what I think is, the right outcome. This reflects the informal nature of the Financial Ombudsman as a free alternative to the courts.

Also, I can only consider the actions/inactions of RateSetter and only the aspects they are responsible for, and I cannot look at certain actions and/or inactions of the supplying dealership or the manufacturer, which Mr M said he is unhappy about. As such, in this decision I have focused only on the aspects I can look into. Also, I am only looking at the events that have been raised by Mr M with RateSetter in March 2025, the ones they had an opportunity to address up to when they sent their correspondence to Mr M on 13 March 2025.

The Consumer Rights Act 2015 (CRA) covers agreements such as the one Mr M 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.

In Mr M's case the car was over six years old when supplied with a total cash price of £22,490. It had covered around 23,150 miles. As such, the car had travelled some distance. Based on this and its age, it is reasonable to expect there to be some wear to it because of its use. I would have different expectations of it compared to a brand-new car. As with any car, there is an expectation there will be ongoing maintenance and upkeep costs. There are parts that will naturally wear over time, and it is reasonable to expect these to be replaced; And with second-hand cars, it is more likely parts will need to be replaced sooner or be worn faster than with a brand-new car. RateSetter would not be responsible for anything that was due to normal wear and tear whilst in Mr D's possession. However, given the age, mileage and price paid, I think it is fair to say that a reasonable person would not expect anything significant to be wrong shortly after it was acquired.

First, I considered if there were faults with the car.

Mr M provided a copy of the invoice from car's main dealer, dated November 2023, which confirms that the car had a fault with the amplifier due to water ingress when the car had travelled 26,534 miles (around 3,384 miles since supply). Mr M also said that he is now

experiencing same or similar issues with the car. As of around July 2025, the car has travelled around 42,496 miles (around 19,000 miles since supply).

I know in 2023 the car was fixed by the supplying dealership, with a contribution from the warranty company, but I have not seen enough evidence to say, on balance, that the faults fixed then would render the car of unsatisfactory quality.

In addition, I have not seen enough evidence to say that, on balance, the issues Mr M experienced with the car in November 2023 are the same ones, or linked, to the ones the car is experiencing now, and that the repair carried out in 2023 had failed.

Also, based on the evidence that is available I cannot say that, most likely, the current issues would render the car of unsatisfactory quality either. Let me explain further.

I do understand that the car was, most likely, faulty in November 2023. I base this on some of the evidence provided, such as the invoice stating a new amplifier was needed, and from some of the email exchanges. It seems that the supplying dealership did do repairs at that time. However, just because a car was faulty then, does not automatically mean that it was of unsatisfactory quality when it was supplied. I say that because I have not seen enough evidence to be able to say that the issues in 2023 would, most likely, render the car of unsatisfactory quality. There is insufficient detail as to why the repairs were needed and, more specifically, why the water ingress occurred. Also, I have considered that at the time the car was more than six years old and had travelled 26,534 miles (around 3,384 miles since supply). As such, taking everything into consideration including the mileage, age, and price of the car, I cannot say on balance that the repairs that were needed then would render the car of unsatisfactory quality.

Regarding the details of the current faults, there is even less details. There is no independent report, no mechanical report, or, for that matter, any invoices/ job sheets/ cards, from any garages regarding the current faults that Mr M says are present on the car. In addition, the car is now over eight years old, and had travelled for a total of around 42,496 miles (around 19,000 miles since supply). As such, considering the age and mileage of the car, combined with the fact that there is not enough information provided as to the cause and specificity of the issues, I cannot fairly or reasonably say that what Mr M is currently experiencing are faults that would render the car of unsatisfactory quality.

I know Mr M said that many other car owners of the same car model, are having the same issues and he believes there should be a recall for the fault in question. However, I do not consider it would be fair to draw negative inference from the experiences that others have had in different circumstances. Whilst there may be similarities between Mr M's experience and others, all complaints at our service are considered on their individual facts and merits. Here I make my decision based on what I think is fair and reasonable considering all the circumstances – including relevant laws, regulations and evidence available – of this particular complaint.

While I sympathise with Mr M for the difficulties he is experiencing, based on all the information available in this case, I do not think there is sufficient evidence to say that, most likely, RateSetter should be required to take any further action regarding this case at this moment in time.

My final decision

For the reasons given above I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or

reject my decision before 27 January 2026.

Mike Kozbial
Ombudsman