

The complaint

Mrs M is unhappy that a car supplied to her under a hire purchase agreement with Blue Motor Finance Ltd ('BMF') was of an unsatisfactory quality.

What happened

In August 2024, Mrs M was supplied with a used car through a hire purchase agreement with BMF. She paid an advance payment of £200, and the agreement was for £12,795 over 60 months; with 59 monthly payments of £341.51 and a final payment of £315.51. At the time of supply, the car was around five years old and had done around 36,189 miles (according to the MOT record for 21 August 2024).

Shortly after being supplied with the car, the engine management light came on. Mrs M took the car to a local independent garage who suspected a faulty sensor. But they referred her to a manufacturer specialist garage for a full diagnosis. The manufacturer garage found that the AdBlue injector and diesel particulate filter ('DPF') were faulty and said this would cost in the region of £2,400 to repair.

The warranty would only cover the AdBlue injector, so Mrs M had the car inspected by the independent garage. This inspection took place on 17 March 2025, and the garage inspected the DPF core, where they found heavy AdBlue deposits. They said there was *"DPF degradation caused by low mileage use by the previous owner before it was purchased by {Mrs M} and I would recommend to carry out a DPF carbon clean then reassess."* Mrs M paid £60 for this report and was quoted almost £600 for the recommended DPF clean. They also said that a full DPF replacement would cost around £1,000.

Mrs M complained to BMF who arranged for the car to be inspected by an independent engineer. This took place on 7 April 2025, when the car had done 38,957 miles – 2,768 miles since being supplied to Mrs M. The engineer stated, *"we did note a slight soot film was present within the exhaust tailpipe, which often indicate [sic] a compromised emission system ... the soot content of the DPF was slightly high, although the system was evidently not completely blocked."* While the engineer said that *"no physical fault could be identified on the vehicle"* they said the soot film could indicate a DPF issue and this *"would require further testing and confirmation."*

Finally, the engineer warned that under utilising a diesel vehicle can result in the DPF not self-regenerating and subsequently being blocked. However, they didn't say that Mrs M was under utilising the car, nor that any potential DPF issues were as a result of how Mrs M used the car.

BMF didn't uphold Mrs M's complaint. They said the faults with the car were due to it doing insufficient mileage so the DPF wasn't being given the chance to regenerate, and it was only advised that the DPF was replaced – this wasn't necessary. However, they did offer a refund of one monthly payment to account for the limited use Mrs M had had of the car due to the reported faults.

Due to the delay in BMF's response, Mrs M had already brought her complaint to the Financial Ombudsman Service for investigation. Our investigator said there was a fault with the DPF that was present or developing when the car was supplied to Mrs M, so BMF needed to do something to put things right. So, they said that BMF should arrange for the car to be repaired, as well as refunding Mrs M the £60 inspection fee she paid, and a total of two monthly payments for when she didn't have use of the car.

BMF didn't agree with the investigator's opinion. They said the independent engineer's report hadn't been considered, that there was no evidence of a current fault with the car, and that the need to replace the DPF was only advisory.

Because BMF didn't agree, this matter 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.

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 M 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, BMF 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 BMF can show otherwise. So, if I thought the car was faulty when Mrs M 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.

I've seen a copy of the independent engineer's report for the inspection that took place on 7 April 2024. In this report, the engineer 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.

The independent engineer said that, while no physical fault could be found, there were indicators of issues with the emission system, specifically the DPF. And they recommended that further testing take place. Despite this recommendation, BMF chose not to arrange for the DPF to be tested.

What's more, as I've said above, while the engineer provided some information about how low utilisation can cause DPF issues, they never said the car was suffering from underutilisation, nor did they say that Mrs M was under utilising the car.

As BMF didn't arrange for the DPF to be further inspected, as recommended by the independent engineer, it's reasonable that I rely upon the inspection carried out by the independent garage on 17 March 2025. This confirms an issue with the DPF that was present when the car was supplied to Mrs M. And a carbon clean, not a full DPF replacement, was recommended.

As BMF haven't provided anything to contradict this report, I'm satisfied the car had an issue that was present when it was supplied to Mrs M, which makes it of an unsatisfactory quality. Therefore, BMF need to do something to put things right.

Putting things right

Section 24(5) of the CRA says "*a consumer who has ... the right to reject may only exercise [this] and may only do so in one of these situations – (a) after one repair or replacement, the goods do not confirm to contract.*" This is known as the single chance of repair. And BMF have this right of repair. Mrs M would also prefer the car to be repaired. As such, I'm satisfied that BMF should arrange for the DPF to be repaired, at no cost to Mrs M. For clarity, it's been recommended that a carbon clean should take place, and the DPF should only be replaced if this is unsuccessful. However, if BMF prefer to replace the DPF and save the cost of a potentially unsuccessful clean, this is their decision.

Due to the issues with the car, Mrs M was unable to drive it between 8 January and 12 March 2025. And, during this period, she wasn't supplied with a courtesy car. As such, she was paying for goods she was unable to use. 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 BMF failed to keep Mrs M mobile; I'm satisfied they should refund the payments she made during this period.

As BMF have already refunded the equivalent to one payment already, they should ensure that a further refund is made to cover the shortfall in the period stated above.

Finally, Mrs M paid £60 to have the DPF issues diagnosed. Given that the car wasn't of a satisfactory quality when supplied, I think it's only fair that BMF also reimburse these costs.

Therefore, BMF should:

- Arrange for the car to be repaired, at no cost to Mrs M, ensuring she is kept mobile by way of a courtesy car while these repairs are being carried out (if BMF are unable to keep Mrs M mobile during the repair period, they must refund the equivalent of the payments charged during this period);
- refund a total of the payments charged for the period 8 January to 12 March 2025;
- upon receipt of proof of payment, reimburse Mrs M the £60 diagnostic cost she incurred in March 2025; and
- apply 8% simple yearly interest on the refunds/reimbursements, calculated from the date Mrs M made the payments to the date of the refund[†].

[†]If HM Revenue & Customs requires BMF to take off tax from this interest, BMF must give Mrs M a certificate showing how much tax they've taken off if she asks for one.

My final decision

For the reasons explained, I uphold Mrs M's complaint about Blue Motor Finance Ltd. And they are to follow my directions above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 3 February 2026.

Andrew Burford
Ombudsman