DRN-6048372

The complaint

Mr S complains that the car he acquired through Family Finance Limited ("FFL") wasn't of satisfactory quality. He wants to reject the car and have the credit agreement cancelled.

What happened

Mr S entered into a hire purchase agreement in August 2024 to acquire a used car. The cash price of the car was £8,850, and the agreement was set up over a term of 49 months. The total repayable was £15,731.26 and was to be repaid through the credit agreement with monthly payments of £320.74. At the time of acquisition, the car had already been driven more than 90,000 miles and was around 10 years old.

Mr S told us:

- He purchased the car from a dealership, having seen an advert for it on social media, but within one month the engine failed;
- he contacted the supplying dealership, and they took the car and had it inspected;
- on the basis of the inspection, the supplying dealership refused to undertake repairs because it claimed that he'd damaged the car himself;
- he disagrees with that statement – he's only driven about 500 miles and there's already a cracked radiator; a wheel wobble; and a vibration coming from the front of the car;
- he did hit a pothole and that resulted in a scratch, but it didn't cause any damage to the radiator, and a friend who looked at the car confirmed this. They *"even put water into it and it wasn't any leak* [sic] *and never saw any evidence of leaking"*;
- the Police had told him the car had previously been involved in an incident, but he has no further details;
- he cannot afford to repair the car, and without repairs it can't be driven. But he'll still be making his monthly payments for the next four years;
- he wants to reject the car and cancel the credit agreement.

FFL rejected this complaint. It said Mr S contacted and advised it of the issues he'd experienced with the car, and an independent inspection was arranged. FFL said that the independent expert concluded that *"the vehicle had accident damage, which they believe had caused a coolant leak and subsequent engine damage…The inspection concluded that accident impact damage to the underside front passenger area was the cause of the compromised radiator mounting and coolant loss, which then resulted in overheating, and that it was not a result of a pre-existing defect at the time of purchase, but clearly the result of accidental damage sustained after sale".*

FFL reminded Mr S of his obligations under the credit agreement, namely *"You must keep the vehicle in good working order and condition at your expense. You are responsible for all loss of, or damage to, the vehicle even if caused by events beyond your control (except for loss or damage due to fair wear and tear) and for all fines and duties relating to the vehicle".*

Unhappy with its response, Mr S asked our Service to look at his complaint.

Our Investigator looked at this complaint and said she didn't think it should be upheld. She went on to explain that just because something had gone wrong with the car, it didn't mean that it was of unsatisfactory quality when it was supplied, and she explained the relevance of the Consumer Rights Act 2015 ("CRA") in the circumstances of this case.

Our Investigator said that taking into account the report following the independent inspection, she'd seen no evidence that the car wasn't of satisfactory quality at the point of supply. She said the report was clear – the faults were the result of accidental damage sustained after the car had been supplied.

Our Investigator also noted that the photographs of the car pre-sale did not show some of the faults complained of by Mr S, so these could not have been present when the car was first supplied.

And to complete her investigation, she also conducted an HPI check – an HPI check provides important information about the history of a used car, it covers details such as outstanding finance, insurance write offs, theft records, previous ownerships, MOT status, amongst other information – but she found nothing to support Mr S' position that damage may have been done to the car prior to his acquisition of it.

Mr S disagrees so the complaint comes to me to decide, and he said he'd arrange for a further independent inspection of the car and its faults to be carried out. He advised the Service on 16 October 2025 that he'd be obtaining further information but, as of today's date, we've received nothing further from Mr S.

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 conclusion to that of our investigator, and I don't think this complaint should be upheld – and I'll explain why.

When looking at this complaint I need to have regard to the relevant laws and regulations, but I am not bound by them when I consider what is fair and reasonable.

As the hire purchase agreement entered into by Mr S is a regulated consumer credit agreement this Service is able to consider complaints relating to it. FFL is also the supplier of the goods under this type of agreement, and it is responsible for a complaint about their quality.

Under the Consumer Rights Act 2015 ("CRA") there is an implied term that when goods are supplied "the quality of the goods is satisfactory". The relevant law says that the quality of the goods is satisfactory if they meet the standard that a reasonable person would consider satisfactory taking into account any description of the goods, price and all other relevant circumstances.

The relevant law also says that the quality of the goods includes their general state and condition, and other things like their fitness for purpose, appearance and finish, freedom from minor defects, safety, and durability can be aspects of the quality of the goods. So, what I need to consider in this case is whether the car *supplied* to Mr S was of satisfactory quality or not.

The CRA also says that, where a fault is identified within the first six months, it's assumed the fault was present when the car was supplied, unless FFL can show otherwise. But, if the

fault is identified after the first six months, then it's for Mr S to show the fault was present when he first acquired the car. So, if I thought the car was faulty when Mr S took possession of it, and this made the car not of a satisfactory quality, it'd be fair and reasonable to ask FFL to put this right.

Now, I don't think there's any dispute that Mr S has experienced a major problem with the car. That has been well evidenced by his testimony. But, whilst I accept that there have clearly been issues that manifested themselves with the faults he's complained about, FFL would only be responsible for putting things right if I'm satisfied that these faults were present or developing when the car was supplied – that is to say, the car wasn't of satisfactory quality when Mr S first acquired it.

The single most compelling piece of evidence here is the report from the independent engineer. I say this because the independent engineer is appropriately qualified to assess vehicles and compile a report of findings, and they conducted a physical examination of the car. They were able to inspect the car; confirm the presence of any faults, and their cause.

In their report, the engineer said the following:

"Vehicle purchased March 2025. Subsequent fault developed: engine overheating and suspected head gasket failure. Damage noted to front underside of vehicle; believed to be accidental. We have been instructed to confirm whether the engine damage and overheating are attributable to that accidental damage and not a pre-existing fault".

So I'm satisfied that the engineer was provided with an accurate background that clearly set out the issues and what needed to be assessed.

The engineer went on to confirm that: *"Diagnostic scan revealed current fault codes relating to engine overheating… Coolant: Not present - confirmed active leak from underside".*

But the simple existence of the fault in itself isn't enough to hold FFL responsible for repairing the car or accepting its rejection. The legislation says that this will only be the case if the fault was present or developing at the point of supply; the car supplied was not of satisfactory quality.

The independent report went on to address this, and it made the following comments:

- *"Passenger-side front bumper area shows fresh impact damage, consistent with contact from a high kerb".*
- *"Underneath the same area, radiator bracing bracket is visibly damaged, and coolant leak originates from this point".*
- *"Wheels: Front drivers side missing one wheel nut; front passenger side missing two, with sheared studs".*
- *"Based on current evidence, damage to the head gasket or cylinder head is suspected due to elevated running temperatures caused by coolant loss".*

In conclusion, the engineer said:

- *"The vehicle was found to be in a generally poor and neglected condition".*
- *"The exterior showed signs of new impact damage".*
- *"Mechanical safety concerns were evident, including missing/broken front wheel nuts, rendering the vehicle unsafe for road use".*
- *"The inspection confirmed accidental impact damage to the underside front passenger area, which compromised the radiator mounting and led to coolant loss.*

This resulted in overheating, as evidenced by the live data confirming EML illumination and distance driven after fault trigger".

- *"The engine oil was clean, which strongly supports the view that overheating occurred over a short distance or timeframe, consistent with catastrophic coolant loss from accidental damage".*
- *"The head gasket failure and suspected engine damage are not indicative of a pre-existing defect but are clearly the result of accidental damage sustained after sale.*
- *Responsibility for the repair does not lie with the selling agent".*

So, on the basis that this fault was *not* present or developing at the point of supply and appears to have been a result of damage that happened after this time, I simply can't say that the car was not of satisfactory quality when it was supplied by FFL.

Moreover, the engineer makes no cautionary statements about the conclusions reached, or that a different conclusion may have been reached with additional information. The instruction of an independent inspection is what's required and expected of FFL in these circumstances. And in the absence of any other persuasive and independent evidence to the contrary, I'm not persuaded that Mr S' car was of unsatisfactory quality when supplied. So, I can't hold FFL responsible for the problems Mr S has now experienced with it.

Taking into account all the evidence, I can't uphold this complaint. I know Mr S will be disappointed with this decision, but I hope he understands why I've reached the conclusions that I have.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 4 February 2026.

Andrew Macnamara
Ombudsman