

The complaint

Mr R complains that the car he acquired through Marsh FM LLP (“Marsh”) wasn’t of satisfactory quality. He wants to reject the car and cancel the finance agreement.

What happened

Mr R entered a hire purchase agreement in December 2023 to acquire a used car. The cash price of the car was £3,750, and after taking account of the advance payment, the credit provided totalled £3,500. The credit agreement was set up over a term of 48 months, with monthly rentals of £103.13. If the credit agreement ran to term, the total amount repayable would be £5,210.24. At the time of acquisition, the car had already been driven more than 78,000 miles and was nearly six years old.

Mr R told us:

- His first problems with the car started in April 2024 and he had to call out a well-known roadside recovery firm which identified issues with the coils;
- in the middle of May 2024, he noticed oil in the water, and he contacted the supplying dealership, but it referred him to his warranty provider;
- some repair work was undertaken through the warranty, but he had to pay part of the costs as well – more than £550;
- he was then notified of a manufacturer’s recall, and the garage that inspected the car identified a lot of faults and issues and things that were wrong with it;
- in August he had to have work done in respect of the timing belt;
- in October the engine overheated and the thermostat housing needed replacing at a cost of £120;
- the car broke down again, and the roadside recovery firm said the original problem had re-surfaced;
- the garage said the engine needed a full strip down;
- he’s had nothing but problems, and hasn’t been able to drive the car for a year now;
- he wants Marsh to take the car back and reimburse him his costs.

Marsh rejected this complaint. It said that because Mr R had been in possession of the car since December 2023, he needed to prove that the faults were in existence at the date of supply, and that *“they were serious enough to make the vehicle unfit for purpose at the point of sale”*. And it signposted Mr R to a number of organisations that could undertake independent inspections of the car.

Our investigator looked at this complaint and said he thought it should be upheld. He explained the relevance of the Consumer Rights Act 2015 (“CRA”) in the circumstances of this complaint and said he didn’t think the car that Marsh had supplied had been of satisfactory quality.

He considered all the repair work undertaken at great expense by Mr R and said he thought Mr R should be able to reject the car. And he recommended that Marsh reimburse Mr R for the costs he’s incurred as well as paying him some compensation.

Marsh said it strongly disagreed with our Investigator's conclusions, so the complaint comes to me to decide.

My initial conclusions are set out in my provisional decision which I issued in December 2025. In it, I said there was significant and compelling new evidence provided by Mr R, and I wished to afford Marsh an opportunity to let me have its observations. But based on what I'd read, I thought there were compelling reasons for Mr R's complaint to be upheld. I explained my reasoning as follows:

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

When considering what's fair and reasonable, I take into account relevant law and regulations. The Consumer Rights Act 2015 ("CRA") is relevant to this complaint. This says under a contract to supply goods, the supplier – Marsh in this case – had a responsibility to make sure the goods were of 'satisfactory quality'.

Satisfactory quality is what a reasonable person would expect – taking into account any relevant factors. 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. In this case, I would consider relevant factors to include, amongst others, the car's age, price, description and mileage.

What I need to consider in this case is whether the car supplied to Mr R was of satisfactory quality or not. There doesn't appear to be any disagreement between parties over whether the car has had several faults since it was first supplied. The difference in opinion between Mr R and Marsh relates to whether the faults were present or developing at the point of supply, and it's on this question that I must reach a conclusion.

Since our Investigator issued his detailed opinion, Mr R has arranged for the car to be inspected and assessed by an independent engineer. And that engineer produced a report following their inspection which was received by this Service in the last fortnight.

I find that report compelling, and quite simply, the most persuasive evidence in this particular case. I'm going to arrange for a copy of it to be sent to Marsh for its comments and observations, so that it can be read in conjunction with my provisional decision.

The engineer set out a detailed chronology of the issues and faults that have arisen since April 2024, so I'm satisfied that they had a good understanding of the car's history prior to the inspection.

The inspector set out their findings as follows:

- *"Excessive soot inside the exhaust and at the tailpipe, indicating oily residue during previous operation".*
- *"Persistent misfire on Cylinder 3".*
- *"Spark plugs have been repeatedly fouled, consistent with oil entering the combustion chamber".*
- *"Customer has carried out multiple repair attempts including plugs, coils, cooler, thermostat housing, and timing belt".*

The inspector reported significant evidence exists that:

- *“The vehicle was sold with 3 miles more than the auction listing, where it was already reported as “engine and exhaust smoking”.*
- *“This strongly suggests the engine fault was present prior to sale”.*
- *“The misfire has been present consistently throughout ownership”.*

And they set out their conclusions as follows:

- *“The vehicle was sold with a pre-existing engine fault, supported by the auction listing describing “engine and exhaust smoking”, recorded only 3 miles before customer collection”.*
- *“The customer has taken reasonable steps to maintain the vehicle and to diagnose/repair the misfire. There is no evidence of neglect accelerating the fault”.*
- *“The persistent cylinder 3 misfire, fouled plugs, soot, and oily residue strongly indicate internal oil control failure, most commonly:*
 - *Worn piston rings,*
 - *Damaged piston, or*
 - *Cylinder wear”.*
- *“[This model of manufacturer’s] engines are well known for timing belt and oil consumption issues; piston/ring failure is a recognised failure mode”.*
- *“Replacement of plugs, coils, thermostat housing, and cooler only masked symptoms - they did not address the underlying internal failure”.*
- *“The fault began within 12 months of sale and was clearly developing at the point of sale, based on both the timeline and the auction description”.*

In summary they said that the “vehicle was not sold in a durable condition, and the persistent misfire is the result of an inherited internal engine defect. On the balance of probabilities, the selling agent should be responsible for repair costs, which will likely require engine dismantling and major internal repair, possibly full engine replacement”.

Reviewing this report alongside Mr R’s testimony, I’ve concluded that the car was not of satisfactory quality when it was first supplied.

I now need to consider what would be fair and reasonable to put things right. Given that, currently, the car is neither roadworthy nor movable, I don’t think any further attempts at repair seem reasonable. So, I think Mr R should be able to reject the car.

I need to consider that Mr R has had no use of the case for some time, so I’m going to require Marsh to refund some monthly payments along with the costs he’s incurred trying to rectify the faults and problems with this car. I’m also going to take into consideration what he’s told us about the worry and anxiety and stress that this fault has caused him since he first acquired the car, and the inconvenience he’s been caused – I’m going to ask Marsh to pay him some compensation in recognition of this”.

I asked each party to let me have further information, that I’d not already seen, that they’d like me to consider. And I asked that this be sent to me by 15 December 2025.

I’ve received no further submissions from Marsh.

Mr R accepted my provisional decision and provided a further receipt of additional costs incurred by him because of the inherent fault with the car.

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 considered all the evidence and testimony afresh and, in the absence of any new evidence or testimony from Marsh, I see no reason to depart significantly from my provisional findings. I'm therefore upholding this complaint, but I'm going to update what Marsh needs to do to put things right by including the additional invoice / receipt received from Mr R.

Putting things right

I direct Marsh FM LLP to put things right by doing the following:

- Ending the credit agreement with nothing further to pay.
- Removing any adverse information from Mr R's credit file in relation to this agreement.
- Collecting the car, if it hasn't already been collected, at no cost to Mr R and at a time and date convenient to him.
- Refund Mr R his deposit of £250.
- Refund all monthly payments made from November 2024 to the date of settlement, as he was unable to use the car from this point onwards.
- Reimburse Mr R for the additional costs he incurred that are a result of being supplied with a car that was not of satisfactory quality upon production of a paid invoice or receipt. To date, I understand these costs are as follows:
 - £195.00 for the independent inspection in November 2025.
 - £581.79 for the repairs that the warranty did not cover in full in May 2024.
 - £114.19 for the spark plugs and ignition coils from May 2024
 - £499.00 for the repairs to the timing belt in August 2024.
 - £120.00 for a replacement thermostat housing in October 2024.
 - £303.89 for the replacement coils in November 2024.
- Pay 8% simple interest on all refunded amounts from the date of payment until the date of settlement*.
- Pay Mr R £400 compensation in recognition of the distress, anxiety and worry he's been caused because he was supplied with a car that had inherent quality issues.

*HM Revenue & Customs requires Marsh FM LLP to take off tax from this interest. Marsh FM LLP must give Mr R a certificate showing how much tax has been taken off if he asks for one.

My final decision

My final decision is that I uphold this complaint and require Marsh FM LLP to put things right in the way I've directed.

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

Andrew Macnamara
Ombudsman