

## **The complaint**

Mr M complains that a car supplied to him under a hire purchase agreement with Lloyds Bank Plc was of unsatisfactory quality.

## **What happened**

In July 2025, Mr M acquired a used car through a hire purchase agreement with Lloyds. The car was first registered in September 2015 and had travelled around 36,539 miles. The cash price of the car and amount of credit was £8,500. The duration of the agreement was 48 months; with 48 monthly payments of £219.42.

Days after collecting the car, Mr M reported faults including the RPM fluctuating without acceleration, a whining noise coming from the gearbox when shifting into second and third gear and jerking in first gear. He asked to exercise his short-term right to reject the car.

The dealership inspected the car but were unable to identify a fault. An independent inspection was arranged, which concluded no faults were present that would make the car of unsatisfactory quality at point of supply. Based on this, Lloyds didn't uphold Mr M's complaint.

Our Investigator reviewed matters and said there was insufficient evidence to support the presence of a fault – so they didn't think Lloyds had acted unfairly by not accepting Mr M's request to reject the car. They said Mr M may wish to arrange a further independent inspection of the car, which can be considered if the findings contradict the conclusions reached by the previous independent engineer.

Mr M didn't agree. In summary, he said:

- He's provided video evidence of the symptoms he's reported, which a car of satisfactory quality wouldn't exhibit after only travelling 50 miles.
- He's not able to obtain an independent report due to financial hardship, neither should he be expected to pay to prove what the video evidence he's provided already shows. Additionally, he's unable to instruct an engineer to inspect the car when the dealership holds the keys and has abandoned it on a public road.
- The independent report obtained by Lloyds took place 45 days after he returned and rejected the car – which gave the dealership an opportunity to temporarily mask the faults before the inspection took place.
- He's proven the dealership falsified sales documentation, which included incorrect information regarding the car's mileage. This shows the dealership has a proven track record of dishonesty and therefore its credibility and integrity should be questioned.

As no agreement has been reached, the 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.

I think it's important to firstly clarify what this decision will cover. Mr M has raised several concerns about the conduct of the dealership. In this decision, I've only considered Lloyds' actions and obligations. The dealership is a separate entity – and I can't hold Lloyds liable for its actions. The exception to this is if the dealership acted as Lloyds' agent – for example, when arranging to repair a fault.

I've read and taken into account all of the information provided by both parties, in reaching my decision. If I've not reflected on something that's been said it's not because I didn't see it, it's because I didn't deem it relevant to the crux of the complaint. This isn't intended as a discourtesy to either party, but merely to reflect my informal role in deciding what a reasonable outcome is. 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.

Mr M acquired the car using a hire purchase agreement. This is a regulated consumer credit agreement which means we are able to investigate complaints about it. 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. Lloyds is the supplier of the car and therefore responsible for complaints about its 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. In this case those relevant circumstances include, but are not limited to, the age, mileage and cash price of the car at the point of supply. 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 used, with a cash price of £8,500. It had covered around 36,539 miles and was nearly ten years old when he acquired it. So, what would be considered satisfactory quality would be significantly different to if Mr M had acquired the same car brand new and at a greater cost. I think a reasonable person would expect a car of this age and mileage to have incurred considerably more wear and tear – and require repairs and maintenance sooner – than a newer or less travelled one would. And it's important to make clear that a car having faults doesn't always mean the car is of unsatisfactory quality. However, I wouldn't expect the car to be supplied with any significant faults, and I would expect it to be sufficiently safe and durable.

The CRA sets out that Mr M has a short-term right to reject the car within the first 30 days, if the car is of unsatisfactory quality, not fit for purpose, or not as described. I'm satisfied Mr M asked to reject the car within that time – so what I need to consider is if the evidence available demonstrates there was a fault with the car that made it of unsatisfactory quality when it was supplied to him.

The dealership says when the car was returned to them, they carried out an initial scan and road test and were unable to find any engine or transmission faults. It was then arranged for the car to be inspected by an independent engineer, which is what I'd reasonably expect Lloyds to do in these circumstances.

The independent engineer confirmed that on testing, the engine ran normally with no warning lights illuminated, a static gear selection test passed with no issues, no fault codes were present, all aspects of the DSG transmission were normal and no abnormal operation or faults were replicated. In conclusion, the independent engineer said:

*“Within the scope of the inspection no faults were present.*

*No evidence was found to confirm or imply that the vehicle was of unsatisfactory quality at point of sale.*

*As inspected and tested the vehicle was roadworthy and fit for purpose.”*

I understand Mr M disagrees with the findings of the independent engineer. However, 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. I also haven't been provided with any persuasive mechanical evidence that contradicts the findings of the independent engineer.

I've reviewed the video evidence Mr M has provided, but I don't find this alone to be enough for me to conclude there was a fault with the car that would make the car of unsatisfactory quality. To make such a finding, I would need to see evidence from a qualified professional that outweighs the independent engineer's findings, confirms the presence of a fault, what that fault is and the most likely cause of it – which I don't have here.

I acknowledge Mr M's strength of feeling that the dealership's conduct demonstrates dishonesty and a lack of integrity. But I haven't seen anything to substantiate his claim that the dealership could've masked the fault prior to the inspection taking place. I also note the report confirms the independent engineer was provided with the video footage for review – so they would've had sight of this for consideration prior to reaching their conclusions. So, if they considered the videos sufficiently evidenced the presence of a fault, I'd expect this to have been set out within their report.

Overall, having considered all the evidence available, I find there to be insufficient evidence that persuades me that it's more likely than not there was a fault with the car, that would make the car of unsatisfactory quality when it was supplied to Mr M. And as I can't say Lloyds supplied Mr M with a car that was of unsatisfactory quality based on the available evidence, it follows that I don't conclude Mr M can reject the car, or that Lloyds needs to do anything further to put things right.

### **My final decision**

For the reasons explained, I don't uphold Mr M's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 13 March 2026.

Nicola Bastin  
**Ombudsman**