

The complaint

Mr C complains that the car he acquired through Marsh Finance Limited (“Marsh”) wasn’t of satisfactory quality. He wants to return the car and have the credit agreement cancelled and his payments refunded, so that he can buy another car.

What happened

Mr C entered into a hire purchase agreement in February 2025 to acquire a used car. The credit provided by Marsh was £13,695 and, after taking account of the interest to be charged, the total repayable was £20,600.20. This amount was to be repaid through the credit agreement which was set up over a 60-month term with monthly payments of £343.17. At the time of acquisition, the car had already been driven more than 70,000 miles and was just over seven years old.

Mr C told us:

- He’s experienced numerous faults with the car. Although he loves the car, he’s lost all faith in it and wants to reject it;
- the car was initially repaired by the supplying dealership but he’s had subsequent issues with it, one of which was the re-occurrence of the original fault;
- he may have had the car for a number of months, but he’s been unable to use it, and he’s continued to pay his monthly payments, tax and insurance;
- he wants to reject the car and have the credit agreement cancelled.

Marsh upheld Mr C’s complaint but said that the appropriate outcome was the repairs that had been undertaken by the supplying dealership. And it said because of this, it couldn’t accept rejection of the car and the unwind of the agreement.

Marsh told Mr C that were the issue to persist and be evidenced as a failed repair, he may be able to reject the car as long as he’d not already agreed to repairs with the supplying dealership.

Marsh told this Service that Mr C had reported an illuminated engine light in March 2025, and the car had been returned to the supplying dealership for investigation and repairs. It said the incorrect part had been ordered and because of this the repairs had been unsuccessful. Marsh said that after Mr C told it he wished to reject the car, it had spoken to the finance broker and concluded that Mr C had agreed to the repairs before contacting Marsh.

Marsh said that following further concerns from Mr C, it had arranged for an independent inspection of the car in September 2025. Marsh acknowledged the findings of the engineer but said that it found it difficult to confirm those findings; the issues experienced by Mr C could be a result of his driving style in view of the mileage he’d been able to drive.

Our Investigator looked at this complaint and said she thought it should be upheld. She explained the relevance of the Consumer Rights Act 2015 (“CRA”) in the circumstances of

this complaint and said that based on the conclusions of the independent engineer; the repairs had been unsuccessful, Mr C was now entitled to reject the car.

Marsh disagreed with our Investigator's recommendations and submitted the views of the finance broker to this Service for consideration. Because Marsh disagrees, the complaint comes to me to decide.

What I've decided – and why

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Having done so, I've reached the same conclusion to that of our investigator, and I think this complaint should be upheld – and I'll explain why.

I note here that Marsh has referred to the finance broker and supplying dealership as if they decide what happens in the resolution of this complaint. However, I remind Marsh that it is the supplier of the goods under this type of agreement, and so it is responsible for a complaint about their quality. It follows that I have taken into account the comments of the finance broker as if they were made by Marsh in its role as the supplier.

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 C 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.

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

I don't think there's any dispute that Mr C has experienced problems with the car. That has been well evidenced by his testimony and the other evidence submitted by both parties. And it seems to me that Marsh doesn't dispute this either; the independent report it commissioned supports Mr C's position and confirms the presence of the fault.

The single most compelling piece of evidence here is the report from the independent engineer. The independent engineer is appropriately qualified to assess vehicles and compile a report of findings, and they conducted a physical examination of the car.

I've read the report carefully, and I'm satisfied that the engineer was provided with an accurate background that clearly set out the issues. I say this because the report states:

"The vehicle was purchased on 20/02/2025 with 70,650 miles. It has since been returned to [the supplying dealership] on several occasions for investigations and repairs, as follows:

- *14/03/2025: EML cleared, customer advised to monitor; exhaust sensor replacement recommended if fault persisted.*
- *26/03/2025: Exhaust sensor replaced (mileage 72,411).*
- *17/06/2025: Vehicle diagnosed for knocking noise and sunroof issue.*
- *21/07/2025: Kia confirmed issues resolved.*
- *24/08/2025: Customer reported EML re-illuminating".*

And I'm satisfied that the engineer was given clear instructions about what they needed to assess, so that Marsh's responsibility in the circumstances of the CRA could be established. The report captures this as:

"The customer has requested confirmation of:

- *Current faults identified.*
- *Whether the issues render the vehicle unfit for purpose / unsatisfactory quality.*
- *Whether the faults were present at point of sale.*
- *Whether faults are wear-and-tear or sudden failure.*
- *Whether the vehicle was sold in a durable condition.*
- *Whether liability rests with the supplying dealership or the consumer".*

In their report, the engineer said the following:

"...3. Engine:

- *Loud rattle on cold start, subsiding after ~10 seconds.*
- *Indicative of timing chain chatter due to hydraulic tensioner building pressure.*

...6. Diagnostics:

- *P0299 – Turbocharger 'A' underboost performance.*
- *P2263 – Turbocharger 'A' boost system performance. (both current and pending).*

...7. Road Test:

- *Engine performance poor, consistent with limp mode.*
- *Vehicle requires DPF cleaning (chemical clean recommended, not just regeneration)".*

So, I'm satisfied that the fault that Mr C complained of is present and as he described.

But the simple existence of the fault in itself isn't enough to hold Marsh 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 car has not been durable; or the fault is the result of previous repairs that have failed.

The independent report went on to address this, and the engineer confirmed that their opinion was based on “*on a physical assessment, written and verbal information supplied, observations made by the engineer, and our previous experience*”.

And the engineer made the following key conclusions:

- “The vehicle exhibits poor engine performance, consistent with a blocked Diesel Particulate Filter (DPF). This explains the EML activation and limp mode symptoms.
- The cold start rattle is consistent with timing chain tensioner delay; while not immediately critical, this requires monitoring as part of future durability.
- The diagnostic codes may have been misinterpreted during previous repair attempts; in our experience, the symptoms align more closely with DPF soot/ash accumulation. The earlier exhaust sensor replacement was likely a misdiagnosis.
- Based on the timeline of repairs and repeat fault occurrence, we conclude that the DPF issue was present and developing at the point of sale and should be rectified by the supplying dealer.
- The vehicle is not durable in its current condition and is not fit for purpose until the DPF issue has been rectified.

The CRA sets out clearly what happens when a car supplied is not of satisfactory quality. It says that the resolution is that the supplying dealership is afforded an opportunity to repair the faults. And it gets *one* opportunity to repair *all* faults, not one opportunity to repair each fault.

So, on the basis that this fault was present or developing at the point of supply; and the report concludes that there’s been a previous failed repair because of a previous “*misdiagnosis*”, and the “*misinterpretation*” of the diagnostic codes, I’m persuaded that the car was not of satisfactory quality when first supplied, and despite repairs by the supplying dealership, the fault remains. Accordingly the fair resolution to this complaint is now to permit Mr C to reject the car, and to have the credit agreement cancelled.

Now, Mr C has been able to drive the car for at least some of the time since it was supplied. That’s evident from the mileage driven. So I’ll be directing Marsh to refund Mr C *some* of his monthly payments, but not all of them because Mr C needs to pay for the usage that he’s had of the car.

Finally, I’ll be awarding an amount of compensation in recognition of the distress, inconvenience, worry and anxiety that Marsh caused Mr C. But I won’t be asking Marsh to refund Mr C his taxi and any other transport costs – this is because he cannot receive refunds of *both* his monthly rentals for the car that Marsh supplied *and* the travel costs, he spent on keeping himself mobile. This is because that would result in *betterment* – if he received both types of cost then he’d be in a better position that he should be.

Putting things right

I'm directing Marsh Finance Limited to settle this complaint by:

- ending the agreement with nothing further to pay;
- removing any adverse information from Mr C's credit file in relation to the credit agreement;
- collecting the car at no further cost or inconvenience to Mr C;
- refunding Mr C's monthly rentals for the periods when he was not able to use the car because of the inherent fault with it. I understand these periods were set out clearly to all parties by our Investigator, and are as follows:
 - from 28 February 2025 to 3 March 2025;
 - from 12 March 2025 to 14 May 2025;
 - from 24 August 2025 to the date of settlement;
- paying 8% simple yearly interest on all refunded amounts from the date of payment until the date of settlement*;
- paying an amount of £200 for the distress and inconvenience that's been caused due to the faulty goods.

*HM Revenue & Customs requires Marsh Finance Limited to take off tax from this interest. Marsh Finance Limited must give Mr C 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 direct Marsh Finance Limited to settle this complaint fairly as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 11 March 2026.

Andrew Macnamara
Ombudsman