

The complaint

Mr K complains that a car supplied to him under a hire purchase agreement with Tandem Motor Finance Limited trading as Tandem is of unsatisfactory quality.

What happened

In March 2025, Mr K entered into a hire purchase agreement with Tandem Motor Finance Limited trading as Tandem (TMF) to acquire a used car. The car was over five years old, with a mileage of around 68,678. The cash price of the car was £14,995.00.

The total amount payable on the agreement was £22,007.80 to be repaid by 59 monthly payments of £366.63, with a final repayment of £376.63.

Mr K explained he encountered an issue with the vehicle after collecting it and driving it home on the day he acquired it. Following this, Mr K arranged an MOT. This MOT failed due to excessively worn front suspension arm ball joints. Several advisories were also included. After this result, Mr K let the dealership and broker know about the issues, and asked to reject the vehicle with TMF, exercising his short-term right to reject.

Around two weeks after the MOT test, the dealership collected the vehicle, and an independent inspection was carried out in May 2025. This report suggested there were no faults with the vehicle, contradicting the MOT result.

Due to this, TMF did not uphold Mr K's complaint. In its final response to the complaint, TMS explained as there were no faults found they wouldn't support rejection of the vehicle. Mr K then took back the vehicle in June 2025, and another MOT was carried out, with the vehicle passing, with the same advisories as the MOT in March.

As Mr K was unhappy with the outcome of his complaint, he brought the complaint to this service where it was passed to one of our investigators. The investigator upheld the complaint. It was their outcome that the vehicle had failed an MOT, giving clear evidence of a fault present when the car was supplied, and that Mr K should've been able to reject the vehicle. TMF disagreed, explaining that the inspection carried out shows there is no fault and clearly contradicts the prior MOT. As an agreement couldn't be reached, I've been asked to review the case to make a final decision.

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've read and considered the whole file, but I'll concentrate my comments on what I think is relevant to the complaint. If I don't comment on any specific point it's not because I've failed to take it on board and think about it, but because I don't think I need to comment on it in order to reach what I think is the right outcome on this complaint.

Mr K acquired a car under a hire purchase agreement. Entering into consumer credit contracts like this is a regulated activity, so I'm satisfied we can consider Mr K's complaint about TMF. TMF is also the supplier of the goods under this type of agreement meaning they are responsible for a complaint about the supply of the car and its quality.

The Consumer Rights Act 2015 (CRA) is relevant in this case. It says that under a contract to supply goods, there is an implied term that "the quality of the goods is satisfactory, fit for purpose and as described". To be considered as satisfactory, the CRA says the goods need to meet the standard that a reasonable person would consider satisfactory, considering any description of the goods, the price and all the other relevant circumstances. So, it seems likely that in a case involving a car, the other relevant circumstances a court would consider might include things like the age and mileage at the time of sale and the vehicle's history.

In this case, Mr K acquired a car that was over five years old and had travelled around 68,678 miles. As this was a used car with this mileage and age, it's reasonable to expect parts may already have suffered more wear and tear when compared to a brand-new car or one that is less travelled. There's a greater risk this car might need repair and/or maintenance sooner than a car which wasn't as road-worn.

I've reviewed the available evidence about the issues Mr K experienced with the car. Based on what I've seen, I'm satisfied that there was a fault with the car. I say this because I've seen a failed MOT test confirming there was a fault with the vehicle that caused it to be un-roadworthy. Having considered the car had a fault, I've considered whether it was of unsatisfactory quality at the time of supply.

I can see Mr K took action on what he thought was an issue very soon after purchasing the vehicle. He took the vehicle for an MOT test to confirm if it was road-worthy or not and this failed the MOT test. As a result of this, Mr K wanted to exercise his short term right to reject the vehicle as laid out by the CRA.

The dealership collected the vehicle, and then around two months later, had an independent inspection carried out on it. This inspection contradicted the MOT test stating there were no faults and that they didn't see a reason that the vehicle couldn't return to normal service. Following this, Mr K had another MOT carried out in which the vehicle passed without mention of the failure point.

Having considered these events, I'm persuaded that there was likely a fault with the vehicle causing it to fail the MOT test in March 2025 and as this was so soon after acquiring the vehicle, I'm satisfied it was present or developing at the point of sale. I say this because it is officially recorded as failed. I can't say that the business carrying out the MOT were unqualified, carried out poor work or something else happened, as I have no evidence to show this.

As the vehicle failed the MOT, Mr K should have been allowed to reject the vehicle in line with the CRA. Instead, the dealership had the vehicle for around two months when an inspection was then carried out on the vehicle. I have no evidence to say that the vehicle was worked on or repaired during this time or not. The most persuasive and timely evidence I have in this complaint, is that Mr K suspected an issue with the vehicle and within a week of acquiring it, it failed an MOT. This persuades me the vehicle was not of satisfactory quality when it was supplied.

Putting things right

As I've concluded that the car was not of satisfactory quality when it was supplied, I think it's reasonable TMF should put things right.

In this case, I do think Mr K should be allowed to reject the vehicle as laid out by the CRA. I consider this a fair outcome because Mr K had tried to reject the vehicle under his short-term right to reject and did not authorise any potential repairs to the vehicle. Although I appreciate TMF consider there not to be any faults.

As such, TMF will need to treat the agreement as ended, with nothing further to pay in relation to the monthly payments and arrange to collect the vehicle at no cost to Mr K. Mr K was unable to use the vehicle from 17 March 2025 to 7 June 2025. Because of this, TMF should ensure that Mr K is refunded all of the payments made during this timeframe. Mr K has had use of the vehicle outside of this time, and as such it is fair that he pays for that usage. As such, TMF are entitled to retain the other monthly payment made towards the agreement until it is ended.

I then considered if a payment for distress and inconvenience was relevant in this complaint. Mr K has explained how the situation has affected him personally, causing stress, worry and strain on his daily life and I appreciate how this will have affected him, and caused him the distress he has explained. I agree with the investigator that TMF should pay Mr K £300 for the distress and inconvenience caused in this case.

My final decision

For the reasons explained, I uphold Mr K's complaint and instruct Tandem Motor Finance Limited trading as Tandem to do the following:

- End the agreement with nothing further to pay in as outlined above.
- Collect the vehicle as outlined above.
- Refund some payments as outlined above (less any valid outstanding arrears currently showing on the account).
- Pay 8% simple yearly interest* on the above, to be calculated from when Mr K made the payments to the date of the refund.
- Pay £300 for distress and inconvenience caused.
- Remove any adverse information about the agreement from Mr K's credit file if applicable.

*HM Revenue & Customs requires Tandem Motor Finance Limited trading as Tandem to deduct tax from the interest amount. Tandem Motor Finance Limited trading as Tandem should give Mr K a certificate showing how much tax it has deducted if he asks for one. Mr K can reclaim the tax from HM Revenue & customs if appropriate.

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

Jack Evans
Ombudsman