

The complaint

X complains that a car acquired under a hire purchase agreement with Specialist Motor Finance Limited (“SMF”) wasn’t of satisfactory quality when it was supplied to them.

What happened

Both parties are familiar with the background of this complaint so I will only summarise what happened briefly here.

In July 2024, X entered into an agreement to acquire a used car. The car was supplied by a dealership and X used a credit broker (Z) to source the finance. No deposit was paid, with the total purchase balance provided by SMF under a hire purchase agreement. The car was ten years old and had covered approximately 80,500 miles when the agreement started. The agreement was for 55 months, with 54 monthly repayments of £155.81 and a final repayment of £165.81. The cash price of the car was £5,500.

Shortly after acquiring the car, X has said the car developed faults. They had the spark plugs replaced in August 2024, and X has said they notified Z of the faults with the car at this time. They brought more problems with the car to Z’s attention in October 2024 but X has said they didn’t respond. X then had some injection coils changed in November 2024, while continuing to chase Z for a response.

Z responded in January 2025 and arranged for an independent inspection of the car to take place. This inspection was arranged for February 2025, and the car had covered approximately 86,400 miles at this point. The report concluded that the repairs completed by X had caused further piston and bore damage, which wouldn’t have been present or developing at the point of supply.

X had complained to SMF as the finance provider in January 2025. They told SMF they wanted to reject the car. SMF issued X with their final response in March 2025 and didn’t uphold the complaint. They told X that the independent report confirmed no faults would have been present or developing at the point of supply.

X brought their complaint to our service. Our investigator upheld it. He said he was satisfied the fact X had had to replace the spark plugs and injection coils shortly after being supplied with the car suggested some faults would have been present at the point of supply. However, he accepted that the subsequent faults X had experienced were as a result of their previous repair attempts, and SMF couldn’t be held responsible for those. He asked SMF to reimburse X the costs of buying the new spark plugs and injection coils and pay them £150 compensation.

SMF accepted our investigator’s recommendations but X didn’t. They wanted to reject the car.

As X haven’t agreed, the complaint 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.

When considering what is fair and reasonable, I'm required to take into account: relevant law and regulations, relevant regulatory rules, guidance and standards and codes of practice.

Both parties have provided a lot of information here. I'd like to reassure them that I've read and considered everything that's been sent, although I haven't commented on it all within this decision. I will be focussing on what I consider to be the key points of this complaint. This is not intended as a discourtesy but reflects the informal nature of this service in resolving disputes.

I think it's worth starting by explaining I'm only looking at SMF's responsibility here as the finance provider for the car. X has voiced a lot of concerns about Z and how they dealt with their initial concerns about the quality of the car post-sale – but at that time Z weren't acting as agents of SMF, and SMF can't be held responsible for anything Z have said or done, or not done as per X's comments, post-sale.

As the hire purchase agreement entered by X is a regulated consumer credit agreement this service is able to consider complaints relating to it. SMF are also the supplier of the goods under this type of agreement and are responsible for a complaint about their quality.

The Consumer Rights Act 2015 (CRA) also covers agreements like the one X entered. Because SMF supplied the car under a hire purchase agreement, there's an implied term that it is of satisfactory quality at the point of supply. Cars are of satisfactory quality if they are of a standard that a reasonable person would find acceptable, taking into account factors such as, amongst other things, the age and mileage of the car and the price paid.

The CRA also says that the quality of goods includes their general state and condition, and other things like their fitness for purpose, appearance and finish, freedom from minor defects and safety can be aspects of the quality of the goods.

Satisfactory quality also covers durability. For cars, this means the components must last a reasonable amount of time. Of course, durability will depend on various factors. In X's case, the car was and had covered approximately 80,500 miles when they acquired it. So, I'd have different expectations of it compared to a brand-new car. Having said that, the car's condition should have met the standard a reasonable person would consider satisfactory, given its age, mileage, and price.

Our investigator has said that he thinks the car wasn't of satisfactory quality when it was supplied to X, when he considered they needed to replace the spark plugs shortly after acquiring the car. However, he has also said that X's attempts to repair the faults themselves has led to further damage, which SMF aren't responsible for. I'm more satisfied than not that any initial problems X experienced with the car could have rendered the car of unsatisfactory quality, but their attempts to remedy those faults, albeit with good intention, has led to further damage and has deprived SMF of the opportunity now to determine whether any subsequent faults might have been present or developing at the point of supply.

The CRA explains that where goods are found not to have conformed to the contract within the first six months, it is presumed the goods did not conform to the contract at the point of supply. Unless the supplier, SMF in this case, can prove otherwise. X brought the problems with the car to SMF's attention in January 2025, just within six months of having been

supplied with it. But crucially, this was after X had completed some repairs on the car – replacing the spark plugs and some injection coils.

Z had already arranged for an independent inspection of the car to take place, and it was this report that SMF relied upon when coming to their decision. The report confirmed the car was misfiring and showed cylinder faults on a diagnostics test. This was a visual inspection of the car by a qualified motor technician. The report concluded that all the spark plugs, injectors and injection coils should have been replaced when the faults first presented themselves, and this likely would have rectified the problems X was experiencing. But by only changing the spark plugs and a couple of injection coils, and by continuing to use the car and add fuel additives to it, X had caused additional piston and bore damage. It concluded that this damage would not have been present or developing at the point of supply.

To try and resolve the situation for X, SMF have agreed to our investigator's recommendation that SMF should reimburse X the cost of buying new spark plugs and injection coils, and X has provided the receipts for those. I'm satisfied that's a fair resolution in this case. I can't conclude that SMF are responsible for the damage now present, as X's attempts to repair the car without giving SMF the opportunity to assess it has now prejudiced their position, and I think it's more likely than not that the ongoing faults have been caused by X's previous repair attempts. It follows that my decision won't be that X can reject the car, as they would like to.

SMF have also agreed to our investigator's recommendation of £150 compensation. I think that's reasonable in the circumstances of the complaint, as it's more likely than not that the initial need to replace the spark plugs could have been as a result of the car being of unsatisfactory quality.

I'd like to remind X that they're able to reject this decision if they think they can achieve a better outcome by alternative means, such as through the courts.

My final decision

For the reasons above, I uphold this complaint. Specialist Motor Finance Limited must:

- Pay X £118.94 to reimburse the costs of the spark plugs and injector coils.
- Pay 8% interest on that refund, from the date X paid for the items until the date of settlement.*
- Pay X £150 compensation to reflect the upset X has been caused by having to undertake repairs to the car so soon after supply.

*If Specialist Motor Finance Limited consider they're required by HM Revenue & Customs to deduct income tax from that interest, they should tell X how much they've taken off. They should also give X a tax deduction certificate if they ask for one, so they can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask X to accept or reject my decision before 5 February 2026.

Kevin Parmenter
Ombudsman