

The complaint

Mr K complains that the motorcycle he acquired financed through a hire purchase agreement with First Response Finance Limited (“First Response”) wasn’t of satisfactory quality.

What happened

On 30 January 2025 Mr K acquired a new motorcycle financed through a hire purchase agreement with First Response. He said within hours of taking delivery the tyre pressure warning light came on. He reported this to the dealer who said the light would go off after a few miles. Mr K said it didn’t

Mr K said on 7 July a more serious fault occurred, the rear frame/number plate bracket failed. He said he was told by the dealer this was a known manufacturing defect. Mr K said the failure caused the frame to press heavily onto the rear wheel creating a safety hazard. He stopped using the vehicle at that point as he felt it wasn’t safe to ride and raised a complaint with First Response. He wanted to return the motorcycle and end the agreement.

In its final response First Response upheld the complaint but said as the complaint was outside of the first 30 day window the dealer had one chance to repair the vehicle. Mr K said he had difficulty getting the vehicle repaired by the dealer – including long delays and the dealer dismissing his rights under the Consumer Rights Act 2015. Mr K also disagreed with First Response who said he had continued to use the motorcycle with a known issue which is consistent with acceptance of the vehicle in its current condition. He brought the complaint to this service.

Our investigator concluded the vehicle wasn’t of satisfactory quality at the point of supply and recommended that Mr K be allowed to reject it. First Response didn’t agree and asked for a decision from an ombudsman. It made some additional comments to which I have responded below where appropriate.

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 done so I agree with the conclusions reached by the investigator for the reasons I’ve outlined below.

In considering what is fair and reasonable I need to have regard to the relevant law and regulations, regulator’s rules, guidance and standards, codes of practice and (where appropriate) what I consider having been good industry practice at the relevant time. Mr K’s hire purchase agreement is a regulated consumer agreement and as such this service can consider complaints relating to it.

First Response, as the supplier of the vehicle, was responsible for ensuring it was of satisfactory quality when it was supplied to Mr K. Whether or not it was of satisfactory quality

at that time will depend on several factors, including the age and mileage of the vehicle and the price that was paid for it. The motorcycle was new at a price of £6,050. Satisfactory quality also covers durability which means that the components within the vehicle must be durable and last a reasonable amount of time – but exactly how long that time is will depend on several factors.

If I am to decide the vehicle wasn't of satisfactory quality I must be persuaded faults were present at the point of supply. Faults that developed afterwards are not relevant, moreover even if the faults reported were present at the point of supply this will not necessarily mean the vehicle wasn't of satisfactory quality. This was a new vehicle so I would expect it to be free from even minor defects for a reasonable amount of time.

I'm persuaded there are faults with the vehicle. I haven't seen any invoices or job sheets, nor has there been an inspection but I'm persuaded by Mr K's testimony and the reports and comments on First Response's communication notes that faults are present.

On 8 July Mr K sent an email to First Response. He said:

"I am having nothing but issues with the electric motorcycle I have financed - although brand new, the vehicle seems to be falling apart – I've barely done any miles as I have a very short commute to work but the bearing nuts and bolts seem to be falling off or breaking. The tyre pressure monitor has never gone off and one of the mirrors has slipped out of its place whilst driving. The frame that holds the reg plate has completely come lose and now hangs over the wheel so I cannot drive it."

On 8 July the dealer emailed First Response. He said:

"(Mr K) first got in touch with us yesterday mentioning that he needed a new mirror cause he lost one and that his rear number plate bracket has snapped. I responded straight away asking for evidence of this with a video of the part broken so that I can submit it for a warranty claim for him. We have not heard from (Mr K) since he bought the vehicle from us back in February. He sent the video to myself this morning and I subsequently have submitted this for a warranty claim and will have a new part sent out to ourselves. As (Mr K) is not local to us I have told him that I will send the part to him in the post and he can have it replaced nearer to himself. This saves delivery costs for him."

First Response haven't disputed there are faults.

Mr K reported the fault to First Response within six months of acquiring the vehicle. And the vehicle was brand new. Our investigator asked First Response if it would be prepared to have the vehicle independently inspected to establish what, if any faults, were present or developing at the point of supply. First Response declined. It said the dealer, which wasn't local to Mr K, had offered to inspect the vehicle. In response to our investigator's view First Response said it didn't agree it should have instructed an independent inspection of the vehicle in July 2025. It said it always attempts to engage the dealerships assistance in the first instance and there is no regulation that requires it to take this immediate course of action upon a fault being reported. In July Mr K reported issues with the vehicle including bearing nuts and bolts falling off or breaking, the tyre pressure monitor not going off, mirrors slipping out and the frame coming loose. On the same day he expressed concern that the vehicle wasn't safe. He said:

"Hopefully they can fix the vehicle but my issue is, the supplier has advised it's a known fault - the way in which it happened was quite dangerous as the whole bracket comes down on to the wheel off the vehicle. How do they resolve a defective build? A

vehicle that is brand new shouldn't be falling apart like that, especially when I haven't covered much ground on it. I'll wait to see what he comes back with but ideally I'd like to look at maybe switching out of the vehicle into something a little safer."

First Response replied:

"(The Dealer) knows there is no formal complaint raised, and First Response will only be involved when needed or asked to be. It is always appropriate for a consumer to keep the finance provider updated if they are having any issues, whether the dealership is being supportive or not. At any point upon your request, we can open a formal complaint to assess legally what you are entitled to.

It appears to me that Mr K was already asking for First Response to be involved as he was concerned about safety and wanted to replace the vehicle. First Response went on to say:

"Based on the information you and the dealership have provided so far, you would most likely be entitled to a repair which the selling dealership are arranging. A swap is never a legal right however, if you and the dealership agree to swap into something else, First Response would support this. If you would like First Response to open a complaint to see if you can legally hand the vehicle back. we can do this, just advise you want this open. Please note. if you accept a repair we cannot look into rejection as you would have already accepted a remedy."

I'm persuaded that at this point First Response should have arranged for an independent inspection to establish whether the faults were present or developing at the point of supply and liability, especially as the vehicle had been supplied new and Mr K raised safety concerns. First Response said the dealer was willing to inspect the motorcycle. But I don't consider this to be reasonable as it's not independent.

I've seen a screen shot of messages between Mr K and the dealer. Regarding the frame fault the dealer said: *"send me the pictures and you'll have it covered under your warranty. This is a known fault so there is a revised part of this."* In the absence of technical reports or an independent inspection I think it likely this fault was present or developing at the point of sale as the dealer indicated this was a known fault. Screen shots of messages also indicated Mr K also told the dealer about the tyre pressure alert when he first got the vehicle so again it seems likely this fault, if it is one, would also have been present at the point of supply.

So I am persuaded the motorcycle wasn't of satisfactory quality when it was supplied.

First Response is correct that it has the right to a first repair of the vehicle. But this repair must be carried out at no cost and without significant inconvenience to Mr K. I can see from the account notes that the dealer promptly sought a remedy for the faulty bracket and there was a long delay for the replacement part as it was coming from China. That delay is not unreasonable. But I'm not persuaded by the communication between the dealer, First Response and Mr K that Mr K wouldn't be inconvenienced by this repair and how it would go ahead, given the dealer was based some distance from him. In addition to this First Response offered no reassurance to Mr K that the vehicle was safe nor did it arrange an inspection to assess the faulty bracket or the other issues Mr K raised within the first six months. So it's not clear that the replacement bracket would be all the repairs needed, it seems more likely other repairs would be needed also. Given the time that has now elapsed since Mr K's vehicle failed and the failure of First Response to investigate all the issues I think a repair to the bracket and a much delayed investigation into the tyre pressure issue are no longer appropriate. I now believe it fair and reasonable that Mr K be allowed to reject the motorcycle.

Mr K hasn't been able to use the vehicle since 7 July 2025 but has continued to make payments. I think it fair and reasonable that First Response refund those payments made from 7 July. Mr K has also explained how this situation has affected him and his ability to travel to and from work. I also don't think First Response investigated the problems with the vehicle adequately. So I think it fair and reasonable that First Response pay Mr K £200 for the distress and inconvenience.

Putting things right

To put things right First Response must:

- end the agreement with nothing further to pay;
- collect the vehicle at no further cost to the customer;
- refund all monthly instalments from 7 July 2025 to the date of settlement;
- pay 8% simple yearly interest on all refunded amounts from the date of payment until the date of settlement;
- pay £200 for distress and inconvenience;
- remove any adverse information from the customer's credit file in relation to the agreement.

My final decision

My final decision is I uphold this complaint and First Response Finance Limited must put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 23 March 2026.

Maxine Sutton
Ombudsman