

The complaint

Mr D complains about a used car he acquired through a hire purchase agreement with STARTLINE MOTOR FINANCE LIMITED ('Startline'). Mr D says when the car was supplied to him it was not disclosed that it had a 'salvage/write off' history.

What happened

Mr D's complaint is about the quality of a car he acquired in June 2024. The car was seven years old when Mr D received it. It had covered 49,800 miles.

Mr D acquired the car using a hire purchase agreement that was started in June 2024. The vehicle had a retail price of £8,850 and Mr D financed all of this. Mr D was due to pay 59 monthly repayments of about £230 making a total to repay of £13,816.

Mr D has complained to Startline saying that due to the 'salvage' record of the car it had a much reduced value.

Startline considered this complaint and it didn't uphold it. It said that all the necessary checks were made and the vehicle has not been mis-sold, it said it hasn't otherwise acted unfairly. It confirmed there was no insurance 'category markers' to indicate the vehicle had been written off which meant it wasn't incorrect to finance the car purchase.

Mr D didn't agree with this and brought his complaint to the Financial Ombudsman Service.

Our Investigator upheld Mr D's complaint. He said that it was likely that Startline knew the vehicle had been sold through a salvage auction and this should have been disclosed to him, as it was material information. He also thought it was likely that Mr D would not have gone ahead with the purchase of the car had he known this as it was likely to affect the value of it. He thought the agreement should be terminated at no cost to him. Our Investigator didn't uphold Mr D's complaint about the repairs made to the car.

Startline didn't agree with the Investigator. It maintained that no category marker was assigned to the vehicle, and it didn't think that it needed to disclose the fact that the car was bought from a salvage auction.

There was some further correspondence, but no new issues were raised. Because Startline didn't agree, this matter has been passed to me 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.

In considering what is fair and reasonable, I need to have regard to the relevant law and regulations, regulators' rules, guidance and standards, codes of practice and (where appropriate) what I consider was good industry practice at the relevant time.

The agreement in this case is a regulated hire purchase agreement – so we can consider a complaint relating to it as arranging the contract is a regulated activity.

I think it's important to note that with Mr D's car it isn't in dispute here that some information was recorded about the car in relation to salvage. It's established that it is recorded that Mr D's car was sold at a salvage auction prior to him acquiring it. But this is different to being recorded as the car being 'salvaged'. This would typically mean a car had been heavily damaged or otherwise written off by an insurer and a category in relation to this damage and the state of the car would be applied to it. Startline are right to say that this hasn't happened here. I'm satisfied Mr D's car was not recorded as having been salvaged, rather it has been sold at a salvage auction.

The Consumer Rights Act 2015 ('CRA') is relevant to this complaint. This says, in summary, that under a contract to supply goods, the goods must match the description of them. I think this would extend here to Mr D reasonably thinking that the car didn't have any prior history that would affect the value the car in the future, that wasn't disclosed to him. To put it another way, he was paying a price for a car which didn't have this kind of issue, or history.

I've considered if the recorded information means the car was misrepresented to Mr D. I would consider a misrepresentation to have occurred if Mr D was told a false statement of fact about the car that induced him into entering the contract to acquire it, when he would otherwise not have.

As a starting point, I've not seen enough to persuade me that Mr D was told the car hadn't been sold at a salvage auction. And I haven't seen he was told that details were not recorded on any registers in relation to this. This means I don't think it's likely he was told a 'false statement' of fact, which means I do not think the car was misrepresented to him in this way.

And Mr D would have likely been told that the car wasn't subject to any other finance, and that it didn't have insurance category markers in respect of it having been previously 'written off'. But this would have been correct information.

I've gone on to consider whether the fact Mr D wasn't told that the car was sold at a salvage auction would be a misrepresentation by omission – that is whether the dealer or Startline failing to disclose the information amounted to a misrepresentation. And that this misrepresentation would be significant.

I've seen the current information about the car that is held by a business that provides information of this type to consumers, and it records that the 'Salvage History' of the car is a 'Fail'. It goes on to note that the car was damaged and has a link to some information about this. The report links to information from the salvage auction itself which shows that there was some damage to the front and rear of the car. I think it's reasonable to say this damage is more than would be expected from ordinary wear and tear.

Startline has said that it obtains information from a credit reference agency 'CRA' about the history of the car. It's provided the information it obtained in this way which confirms it didn't say the car was 'categorised'. The CRA itself has confirmed it did provide information that said the car was sold at a salvage auction and Startline has confirmed it holds the same information about this as the CRA. Given that the car was damaged, and I think it's reasonable to say that Startline was fully aware, or should have been aware, of this, I think this was material information that should have been disclosed to Mr D. As it wasn't, I think the car was misrepresented to him.

Mr D has provided information that shows that when he has tried to sell the car he was told he would receive a lower value for it due to the 'salvage' history of the car. So, I think it's reasonable to say he has suffered a loss and should be compensated for this.

In making this finding I accept to some degree that it can be relatively common for cars to be bought and sold at salvage auctions, and this may not be material information in itself. And so may not always have to be disclosed. But in this case, for the reasons I've given above, I think there was information that Startline had that it should have passed on. And had it done this I don't think Mr D would have purchased this car.

Mr D also thinks he should be compensated for some repairs to the car. But having looked at what he has said about this I think these are parts of a car that can and do fail from time to time. And I'm not persuaded that they are linked to the history of the car. I'm not upholding this part of his complaint.

Mr D has said that this has caused him some distress and it has taken some time to resolve. Given this, I agree it is fair to award Mr D £150 for the distress and inconvenience caused by this problem.

Putting things right

I uphold this complaint and Startline should now:

- Accept, and facilitate, the return of the vehicle at no cost to Mr D.
- Terminate the agreement with no further payment required.
- Pay Mr D £150 for any distress or inconvenience that's been caused.
- Remove any adverse information from Mr D's credit file in relation to the agreement.

My final decision

For the reasons I've explained, I uphold Mr D's complaint. STARTLINE MOTOR FINANCE LIMITED should put things right by doing what I've said above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 24 February 2026.

Andy Burlinson
Ombudsman