

## The complaint

Mr J complains about a car supplied to him using a hire purchase agreement taken out with Zopa Bank Limited (“Zopa”).

## What happened

Towards the end of November 2023, Mr J acquired a used car using a hire purchase agreement with Zopa. The car was over eight and a half years old, the cash price of the car recorded on the agreement was £10,900, the agreement was for 48 months, made up regular, monthly repayments of £136.71. The deposit payment recorded on the agreement for the car was £5,974. The mileage recorded for the car on the agreement was 87,910 miles.

At around July 2024, Mr J experienced issues with the car and informed Zopa that he was attempting to liaise with the supplying dealership to have the car diagnosed and repaired. Mr J said that the dealership couldn’t find any faults with the car and so he arranged for the car to be diagnosed by a manufacturer garage. The manufacturer garage diagnosed the car at 93,328 miles and found that the battery was defective and advised that the car required a new engine and turbo, among other things.

Zopa issued their final response to Mr J in which they explained that there wasn’t any evidence to suggest the fault with the car was present or developing at the point of supply.

Unhappy with Zopa’s response, Mr J referred his complaint to our service in August 2024.

Mr J informed Zopa that he had undergone repairs to the car, as he felt he had no other option.

Our investigator found that there was no evidence to suggest issues with the car were present or developing at the point of supply.

Mr J disagreed with the investigator’s findings and thought the investigations that had been carried out to the car when it broke down showed the issues were present or developing at the point of supply. Mr J believed it showed that it was poor maintenance that caused the engine parts to fail, and so, he thought the car was misrepresented when he acquired it.

An investigator issued a further view, following further information supplied by Mr J. The investigator concluded that the car was of satisfactory quality when it was supplied. But he thought Zopa could have done more to assist and support Mr J when he informed them of the issues he experienced with the car. And so, the investigator instructed Zopa to pay £400 for the distress and inconvenience caused by this complaint.

Mr J remained unhappy with the outcome reached by the investigator. And Zopa accepted they could have supported Mr J more. Zopa also offered to have the car’s history and works completed to it independently inspected to determine liability. So an independent inspection was carried out in December 2025.

The report concluded that issues the car had in 2024 wouldn't have been present or developing at the point of supply.

Mr J disagreed. Among other things, Mr J believed the advert suggested the car was well maintained and a family car. As Mr J disagreed with the investigator's findings, the complaint was 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.

Having done so, I'm partly upholding this complaint and I'll explain why below.

I'm aware I have summarised events and comments made by both parties very briefly, in less detail than has been provided, largely in my own words. No discourtesy is intended by this. In addition, if there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is a fair outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as an alternative to the courts.

Mr J complains about a car supplied to him under a hire purchase agreement. Entering into consumer credit contracts such as this is a regulated activity, so I'm satisfied I can consider Mr J's complaint about Zopa.

When considering what's fair and reasonable, I take into account relevant law and regulations. The Consumer Rights Act 2015 ("CRA") is relevant to this complaint. The CRA explains under a contract to supply goods, the supplier – Zopa here – has a responsibility to make sure goods are of satisfactory quality. Satisfactory quality is what a reasonable person would expect – taking into account any relevant factors.

I would consider relevant factors here, amongst others, to include the car's age, price, mileage and description. So, it's important to note that the car Mr J acquired was used, over eight and a half years old, had been driven around 87,900 miles and cost £10,900. I think a reasonable person would accept that it would not be in the same condition as a new car and was likely to have some parts that are worn.

What I need to consider is whether the car was of satisfactory quality when it was supplied. And in order to do that, I first need to consider whether the car developed a fault.

#### Had the car developed a fault?

It isn't in dispute here that the car developed a fault. I say this because I have seen several diagnoses and quotes from around the time the car broke down suggesting there was an issue with the engine and other related parts.

Mr J has also supplied an invoice for works carried out to the car from November 2024 which showed that repairs were completed to replace the engine and other components, such as the turbo and timing chain kit. So, I'm satisfied the car had a fault which required a replacement of those parts.

#### Was the car of satisfactory quality at the point of supply?

What I now need to consider is whether the faults with the car were present or developing at the point of supply, which would have meant that the car wasn't supplied of satisfactory

quality. In this instance, an independent report was commissioned where it inspected the car as well as reviewed the car's history and works completed to it. The report said:

*"In relation to the initial fault, based on the evidence supplied, it appears that the engine, turbocharger and timing chain were noisy, and the engine and turbocharger were replaced.*

*The information available indicates that these items suffered from wear, accelerated by poor lubrication.*

*When considering the age and mileage of the vehicle at the point of the breakdown, the vehicle was 9 years old and had covered over 90,000 miles. As such, it is considered reasonable to expect wear to be presented to various moving or rotating components.*

*Servicing, including oil changes, does reduce wear, although does not prevent it. The service history of the vehicle is incomplete, and as such, the lack of servicing will have resulted in oil degradation and accelerated wear to various components.*

...

*In any case, taking into consideration that the vehicle successfully covered 5,551 miles in 7 months during the operator's possession, it is clear that the defect would not have been present or developing at inception, as symptoms would have been experienced much sooner."*

I think the engineer who completed the report clearly explains here that he didn't think the faults which were identified with the car would have been present or developing at the point of supply. And considering that Mr J was able to drive the car for around seven or so months, and complete over 5,500 miles in the car, before issues presented themselves, I'm persuaded by the findings made in the report.

It follows that I'm satisfied the car was supplied to Mr J of satisfactory quality.

I have noted Mr J's comments and that he strongly believed the car's advert, as well as what he was told by the sales agent, suggested that the car was well maintained and a good family car.

What I need to consider here is whether the car didn't meet a description or was misrepresented to Mr J. A misrepresentation would have taken place if Mr J was told a 'false statement of fact' about the car, and this induced him into entering into the contract to acquire it when he otherwise would not have.

To be clear, no job advert has been provided for me to consider, likely due to the time that has passed. And so, while I appreciate Mr J's comments, there isn't enough evidence for me to conclude any wrongdoing on Zopa's part to hold them liable here.

#### Distress and inconvenience

While I'm satisfied Zopa don't need to do anything further in relation to the quality of the car, I do think they need to put things right in relation to how they supported Mr J when he told them he had issues with his car. Our investigator explained in detail to Zopa the reasons why she thought they could have done more. I won't go into detail here on the reasons why, as Zopa has apologised and accepted the investigator's findings on this point, other than to say, I also think Zopa could have done more. And in the circumstances, I think a fair and reasonable way to resolve things would be for Zopa to pay Mr J £400 for the distress and inconvenience caused.

### **My final decision**

For the reasons I've explained, I uphold this complaint and I instruct Zopa Bank Limited to put things right by paying Mr J £400 to reflect the distress and inconvenience caused. If Zopa has already given compensation in relation to this specific complaint, the final amount should be less the amount already given.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 19 February 2026.

Ronesh Amin  
**Ombudsman**