

The complaint

Mrs H complains about the quality of a vehicle that was supplied through a motor finance agreement with STARTLINE MOTOR FINANCE LIMITED (SMF).

What happened

In July 2024, Mrs H acquired a used car through a hire purchase agreement with SMF. The car was around 18 months old and had travelled 15,905 miles at the time of supply. The cash price of the car was £14,499, and a deposit of £27.06 was recorded. This meant the total amount financed under the agreement was £14,471.94, payable over 59 monthly repayments of £376.39, followed by a final payment of £386.39.

Shortly after acquiring the car, Mrs H says she experienced repeated issues with its condition and reliability. The vehicle was returned to the dealer for repainting due to scratches, and she reported ongoing faults, including problems with starting, cutting out, and the audio-visual navigation (AVN) unit switching off.

Mrs H said a clutch failure occurred in December 2024, followed by further non-start issues, limp mode, and the engine management light (EML) activating. Despite a new clutch and battery being fitted in January 2025, the problems persisted and the car required multiple visits to a manufacturer-approved garage.

Because the car was frequently out of action, Mrs H says she incurred additional expenses for public transport, inspection costs, jump leads, and routine servicing. She also says she was advised that further repairs were required but that she could not afford them. Mrs H explained that the situation affected her mental health and placed strain on her family, including a dependent child with additional needs. She believes the car was mis-sold, given its age and the extent of the issues experienced.

In January 2025, an independent inspection was carried out. The inspection concluded that the car was in a non-start condition, with fault codes present relating to low battery voltage and the throttle actuator. It recommended that the car be returned to the manufacturer for a warranty claim.

In April 2025, SMF issued their final response to Mrs H's complaint, which they upheld. They said Mrs H had booked the car in for repairs which they believed would resolve the issue, and as an apology, they paid Mrs H £150 in compensation for the distress and inconvenience caused.

Unhappy with that decision, Mrs H brought her complaint to our service, where it was passed to an investigator. In their file submission, SMF told the investigator that they should not have upheld the complaint, as no evidence of a point-of-sale fault had been identified. They said, however, that this did not materially affect the outcome and the compensation payment would be honoured.

In an email to the investigator in October 2025, Mrs H said she was still experiencing problems with the AVN unit, although the car had otherwise been operating normally and starting without issue.

In November 2025, the investigator issued their view and recommended that Mrs H's complaint should be upheld. They concluded it was likely the issues were developing within the initial six months from supply and that SMF was therefore responsible for ensuring the car was repaired. The investigator recommended that SMF reimburse Mrs H for the battery repair, the independent inspection report, and pay her an additional £200 in compensation for the distress and inconvenience.

SMF did not accept the recommendation, maintaining that there was no evidence the issues were present or developing when the car was supplied to Mrs H. As the investigator's view remained unchanged, SMF asked that the complaint be referred to an ombudsman for 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've thought about all the evidence and information provided afresh and the relevant law and regulations, regulators' rules, guidance and standards, codes of practice and (where appropriate) what I consider to have been good industry practice at the relevant time.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. 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.

Mrs H complains about a hire purchase agreement. Entering into consumer credit contracts like this is a regulated activity, so I'm satisfied we can consider Mrs H's complaint about SMF. SMF is also the supplier of the goods under this agreement, and is responsible for a complaint about their 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. The CRA also explains the durability of goods is part of satisfactory quality.

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.

My starting point is that SMF supplied Mrs H with a used car that had travelled around 16,000 miles. With this in mind, I think it's fair to say that a reasonable person would expect the level of quality to be lower than that of a brand-new car with lower mileage, and that there may be some wear and tear due to its usage.

That said, the car was priced at £14,499, which isn't insignificant. It also wasn't a particularly old vehicle. So, I think it is fair to say that a reasonable person would expect it to be usable without any major issues for a reasonable period of time.

From the information provided, I'm satisfied that there was a fault with the car. This is apparent from the independent inspection report, which concluded that the car was in a non-start condition with fault codes relating to low battery voltage and the throttle actuator. Having considered that the car had a fault, I've gone on to consider whether it was of satisfactory quality at the time of supply.

Satisfactory quality

Mrs H provided the investigator with copies of the job sheet from when the clutch was replaced in January 2025, and from when the battery was replaced in March 2025. So, I'm satisfied these components were faulty at that point, which was around six to eight months from the date of supply.

I recognise that SMF pointed out that the issues identified in the independent report don't specifically say that they were present or developing at the point of supply, or that they were inherently faulty. They said that, for that reason, they had made a mistake in initially upholding Mrs H's complaint.

The CRA says:

"Goods which do not conform to the contract at any time within the period of six months beginning with the day on which the goods were delivered to the consumer must be taken not to have conformed to it on that day."

This appears to be the section of the CRA SMF refers to when they say the onus was on Mrs H to prove the issues existed at the point of supply.

I've thought about this carefully; however, I don't consider that in the circumstances of this complaint the faults necessarily needed to occur within the initial six months for SMF to be required to take some action.

The clutch was replaced on 8 January 2025, so I'm satisfied—based on what Mrs H told us about the car failing in December 2024—that this issue occurred within the first six months from supply. I understand this was repaired under the warranty.

The job card for the replaced battery is dated March 2025. The comments on the job card say the car was reported as not starting. This is consistent with the inspection report dated February 2025, which also said the car was a non-starter. The inspection report also noted a fault code relating to "active battery voltage low". I think it's reasonable to conclude that this is likely related to the issue that was resolved by replacing the battery.

SMF say they shouldn't have to reimburse Mrs H because the battery is a consumable item and can be affected by several factors. I've thought about this carefully. However, considering the battery needed replacing on a vehicle that was just over two years old, and had a mileage of around 20,000, I think that's an unreasonable expectation. In addition, there's no evidence that Mrs H adversely affected the battery during the preceding six months.

I recognise SMF highlight that the issue was identified just outside the six-month period. But given the young age and modest mileage of the car at that time, I think it's likely the battery

wasn't suitably durable. And so, I'm persuaded that the issue identified in the inspection report meant the car was of unsatisfactory quality.

For this reason, I think it's reasonable that SMF put things right for Mrs H. Mrs H said that, apart from the AVN unit turning off, the car was otherwise ok. I've not considered the AVN issue as potentially rendering the car of unsatisfactory quality because I've seen no expert evidence to support that a fault exists. I recognise Mrs H sent in a video, but unlike the other issues, there is no expert evidence confirming a fault.

In any case, in relation to the issues noted in the inspection report, I'm satisfied that the replacement battery appears to have resolved them. With that being the case, I think it's fair that SMF reimburse Mrs H for the battery replacement and for the independent inspection report, which confirmed an issue was present and ultimately led to the battery's replacement.

The investigator recommended that SMF increase their compensation offer to £350. Considering the impact this situation had on Mrs H—for example, having to rely on others for transport, arranging for the car to be jump-started, and the impact on her family's day-to-day activities—I'm satisfied that £350 is reasonable in the circumstances.

My final decision

My final decision is that I uphold Mrs H's complaint about STARTLINE MOTOR FINANCE LIMITED and instruct them to:

- On proof of payment, reimburse to Mrs H the cost of the independent inspection report
- On proof of payment, reimburse to Mrs H the cost of the replacement battery
- Pay Mrs H £200 in compensation (in addition to the £150 offered in the final response)

STARTLINE MOTOR FINANCE LIMITED should pay 8% yearly simple interest on all refunds calculated from the date of payment to the date of settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 13 March 2026.

Benjamin John
Ombudsman