

The complaint

Ms M is unhappy that a car supplied to her under a hire purchase agreement with Tandem Motor Finance Limited was of an unsatisfactory quality.

What happened

In November 2024, Ms M was supplied with a used car through a hire purchase agreement with Tandem. She paid an advance payment of £279, and the agreement was for £6,695 over 50 months; with 49 monthly payments of £189.25 and a final payment of £199.25. At the time of supply, the car was almost 11 years old and had done 89,262 miles (according to the MOT record for 1 November 2024).

Ms M started to have problems shortly after the car was supplied to her, and this resulted in the injectors being replaced. However, Ms M didn't think this had fixed the problem. And she was complaining about smoke coming from the engine. So Tandem arranged for the car to be inspected by an independent engineer. This inspection took place on 5 July 2025 when the car had done 93,516 miles – 4,254 miles since being supplied to Ms M.

The engineer was unable to replicate the faults Ms M was complaining about – the EML illuminating, a loud engine noise, and smoke entering the cabin through the heaters. They said the car was performing as expected for its age and mileage, including the slight smoke from the exhaust on start-up, and that the car is likely showing signs of age-related wear and tear. But they thought any repair costs associated with the car were Ms M's responsibility.

Based on this report, Tandem didn't think the car was of an unsatisfactory quality. So, she brought it to the Financial Ombudsman Service for investigation. Our investigator reviewed the photos and video Ms M had provided, but they didn't think this provided clear evidence that contradicted the engineer's report. And, with no other evidence of a current fault with the car, the investigator didn't think Tandem needed to do anything.

Ms M didn't agree with the investigator's opinion. She provided a diagnostic from a manufacturer's approved garage dated 30 July 2025 which said there was an oil leak from a turbo pipe. It also recommended investigation into a potential engine misfire and said the car wasn't currently safe to drive. Ms M also provided a video of smoke in the engine compartment, in the vicinity of a joint in a pipe.

This diagnostic report was forwarded to the independent engineer who said this didn't contradict their report, and *“more likely indicates a fault that developed or worsened after our visit, or one that only appears under load/boost.”*

The investigator considered this additional evidence and explained why they didn't think it changed their opinion. Ms M didn't accept this, providing comments as to why. So the matter 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.

Having done so, I've reached the same overall conclusions as the investigator, and for broadly the same reasons. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome. Where evidence has been incomplete or contradictory, I've reached my view on the balance of probabilities – what I think is most likely to have happened given the available evidence and wider circumstances.

In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and (if appropriate) what I consider was good industry practice at the time. Ms M was supplied with a car under a hire purchase agreement. This is a regulated consumer credit agreement which means we're able to investigate complaints about it.

The Consumer Rights Act 2015 ('CRA') says, amongst other things, that the car should've been of a satisfactory quality when supplied. And if it wasn't, as the supplier of goods, Tandem are responsible. What's satisfactory is determined by things such as what a reasonable person would consider satisfactory given the price, description, and other relevant circumstances. In a case like this, this would include things like the age and mileage at the time of sale, and the vehicle's history.

The CRA also implies that goods must conform to contract within the first six months. So, where a fault is identified within the first six months, it's assumed the fault was present when the car was supplied, unless Tandem can show otherwise. So, if I thought the car was faulty when Ms M took possession of it, and this made the car not of a satisfactory quality, it'd be fair and reasonable to ask Tandem to put this right.

Having reviewed the evidence in this matter, I'm satisfied there was initially a fault with the car, relating to the injectors, that was repaired in December 2024. I'm also satisfied there is evidence of a current fault with the car. But just because there is a fault now, it doesn't automatically mean the car was of an unsatisfactory quality when it was supplied to Ms M.

The diagnostic report from the manufacturer's garage has confirmed an oil leak from the top turbo pipe. A leak of this nature would cause oil to leak onto a hot engine, thereby creating smoke. However, the diagnostic report shows the mileage at the time was 95,229 miles. Even taking into account that a potential mileage blocker had been removed from the car, increasing the mileage by around 1,700 miles (according to Ms M's testimony), this would still be over 4,000 miles since the car was supplied to her, and around 1,700 miles since the independent inspection.

Turning to the independent inspection, I've noted the engineer confirmed their duty is to the courts, not to the person who instructed or paid for the report. As such, I'm satisfied this report is reasonable to rely upon.

The engineer started the car and, while there was age-related smoke from the exhaust, there was no evidence of an oil leak from the turbo pipe, or of any smoke from the engine. The photographs attached to the report show the same area of the engine where the smoke is coming from, so I'm satisfied the engineer inspected the area where the manufacturer's garage subsequently found the oil leak. Based on this report and photos, I'm satisfied that the oil leak wasn't present when the car was inspected.

However, for completeness, I've also considered that, at the time of the independent inspection, there may have been no oil residue, as it had burnt off and produced smoke, and the fact the engine may not have been running long enough to get hot enough to produce new smoke from the oil leak. So, this brings me back to the diagnostic report. And, while this

clearly identifies the oil leak, it makes no comment on how long this has been going on for, and whether it was present or developing at the point of supply.

Considering this lack of comment in this key area, and the mileage the car had done – both since being built and since being supplied to Ms M, I'm satisfied it's more likely than not that this is an age-related wear and tear issue, and not something that was present when the car was supplied to Ms M – the turbo pipes on the make and model of car supplied to Ms M have a lifespan of 80,000 to 100,000 miles, and they failed in the region of 90,000 to 95,000 miles. As such, and while I appreciate this will come as a disappointment to Ms M, I'm satisfied the current issues with the car didn't make it of an unsatisfactory quality when it was supplied to her, so I won't be asking Tandem to take any further action.

My final decision

For the reasons explained, I don't uphold Ms M's complaint about Tandem Motor Finance Limited.

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

Andrew Burford
Ombudsman