

The complaint

Miss J complains that a car supplied to her on finance with BLUE MOTOR FINANCE LIMITED ('BMF') was of unsatisfactory quality.

What happened

The parties are familiar with the background details of this complaint – so I will briefly summarise them here. It reflects my role resolving disputes with minimal formality.

Miss J acquired a used car under a hire purchase agreement with BMF in October 2024, the car was around nine years old, and the cash price was £10,995. The car had done about 95,300 miles at the point of supply.

Miss J says on the day she drove the car home from the supplying dealership she experienced faults. The car broke down and was subsequently repaired by a local garage who advised there was an issue with the alternator.

In August 2025 Miss J complained to BMF, in short, she said there had been multiple fault codes and warning lights on the dashboard and the vehicle had been losing power. BMF commissioned an independent inspection. Overall, the engineer confirmed there were faults present but ultimately didn't think these would've been present or developing at the point of supply. So, it concluded the car was of satisfactory quality when Miss J acquired it.

BMF issued its final response letter and based on the findings of the report, didn't uphold the complaint. Our Investigator considered the available evidence, but she didn't think it should be upheld. She said there was no dispute that there was a fault with the car but - based on the information she had, the faults were a result of wear and tear commensurate with the cars age and mileage. And she concluded that the car was not of unsatisfactory quality at the point of supply.

Miss J disagreed; she supplied a copy of a letter provided by the garage who initially carried out repairs. The letter stated the car had been returned a number of times due to reoccurring fault codes which demonstrated the car was not of satisfactory quality when Miss J acquired it.

As an agreement couldn't be reached the complaint 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 our Investigator and for broadly the same reasons. I know this will come as a disappointment to Miss J, but I will explain my reasons below.

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 good industry practice at the time.

The hire purchase agreement entered into by Miss J is a regulated consumer credit agreement and this Service is able to consider complaints relating to it. BMF is also the supplier of the goods under this type of agreement and responsible for a complaint about its quality.

The Consumer Rights Act 2015 (CRA) covers agreements like the one Miss J entered. Because BMF supplied the car under a hire purchase agreement, there's an implied term that it is of satisfactory quality at the point of supply. Cars are of satisfactory quality if they are of a standard that a reasonable person would find acceptable, taking into account factors such as the age and mileage of the car and the price paid.

The CRA says that the quality of goods includes the general state and condition, and other things such as its fitness for purpose, appearance and finish, freedom from minor defects and safety can be aspects of the quality of the goods.

Satisfactory quality also covers durability. For cars, this means the components must last a reasonable amount of time. Of course, durability will depend on various factors. In Miss J's case the car was used and covered approximately 95,300 miles when she acquired it. So, I'd have different expectations of it compared to a brand-new car. Having said that, the car's condition should have met the standard a reasonable person would consider satisfactory, given its age, mileage, and price.

It isn't in dispute that there's a fault with the car, both Miss J and the independent engineer confirm faults are present with the car. But simple existence of a fault in itself isn't enough to hold BMF responsible for repairing the car or accepting its rejection.

A car has numerous mechanical and electrical parts which will inevitably wear with age and use. Different parts of a vehicle will have differing expected lifespans, and some will be required to be replaced as part of regular ongoing maintenance. With this in mind I've not seen anything to persuade me that the faults which Miss J complains of now failed prematurely or was not reasonably durable given its age and mileage.

The CRA 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 BMF can show otherwise. But, where the fault is identified after the first six months, the CRA implies that it's for Miss J to show it was present when the car was supplied.

Nevertheless, BMF commissioned an independent inspection. I've seen a copy of the independent engineer's report for the inspection that took place on 23 September 2025. The engineer set out its opinion, notably it said:

'In our opinion, there does appear to be an issue with the transmission function.

Based on the fault characteristics, it appears that the defect is an electrical concern, as opposed to a mechanical issue.

It is considered that the most probable cause is either wear or contamination of the gear selector unit, resulting in a loss of communication, or due to electrical fatigue of the TCM, preventing selector function.

Electrical issues such as this can sporadically occur at any point in a vehicle's life, and at this stage, we have not been provided with any evidence of this being present at the point of

purchase or having undergone any repair in this regard.

As such, without further evidence being provided, it is not considered that this issue was developing at inception.'

It went on to conclude:

'We can conclude that the vehicle is suffering from an electrical concern, which is resulting in incorrect transmission operation due to a communication error. We have not been provided with any evidence of this issue being present around the point of purchase, or any evidence of repairs in this regard, and as such, at this stage, it is not considered that the defect would have been developing at inception.'

Whilst the report confirms the cause of the fault was likely some wear or contamination of the gear selector unit it did go on to say that electrical issues such as this can sporadically occur at any point in the vehicles life and therefore without any evidence to the contrary it didn't think the fault would have been present or developing at the point of supply.

Although I'm satisfied that there was an issue affecting the transmission function of the vehicle, the available evidence suggests that the defect was electrical rather than mechanical in nature, as supported by the findings in the report.

I appreciate that faults occurred very soon after Miss J acquired the vehicle. However, based on the information available to me, I have not seen sufficient evidence to persuade me that the faults experienced are directly linked to one another or stem from the same underlying issue.

I also acknowledge that Miss J has provided a letter setting out the opinion of the mechanic who initially repaired the car. However, I do not think I can place significant weight on these findings. This is because the letter does not provide an in-depth or detailed explanation of what was observed on each occasion the mechanic says the car was returned due to faults. In particular, there are no specific dates, diagnostic details, or descriptions of the circumstances in which the issues occurred.

Further, the only issue referenced by the mechanic appears to be the recurring presence of fault codes. Fault codes are not in themselves considered a fault. They are simply diagnostic indicators recorded by the vehicle's onboard computer when a system detects an irregularity or signal outside expected parameters. A code may be triggered by a temporary condition, a communication error between components, or a sensor reading that momentarily falls outside its expected range. For this reason, the presence of a fault code alone does not necessarily confirm that a component has failed or that a specific mechanical defect exists. Proper diagnosis normally requires further testing and investigation to determine the underlying cause.

Although the mechanic suggests that an electrical specialist believed the ongoing issue was the original cause of the breakdown and loss of power experienced by Miss J, I am more persuaded by the independent inspection provided by BMF. This report offers a detailed technical assessment, including a clear mechanical explanation of the findings, and it has been prepared independently of either party. Because of this level of detail and independence, I consider BMF's report to be the more reliable piece of evidence when assessing the cause and nature of the issue.

I appreciate Miss J raised similar concerns in November 2024, but the faults could not be replicated. The vehicle also underwent a software update in May 2025, and any problems Miss J was experiencing at this stage were put right.

Overall, in the absence of any other persuasive evidence to the contrary, I'm not persuaded that Miss J's car was of unsatisfactory quality when supplied. So, I can't hold BMF responsible for the problems she experienced with it.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss J to accept or reject my decision before 10 April 2026.

Rajvinder Pnaiser
Ombudsman