

The complaint

Mr H complains about a car supplied to him using a hire purchase agreement taken out with Advantage Finance Limited (“Advantage”).

What happened

In March 2025, Mr H acquired a used car using a hire purchase agreement with Advantage. The car was around six and a half years old, its cash price was £10,250, and its mileage was said to be around 110,885 miles. The agreement was for 60 months, made up of 59 regular, monthly repayments of £285.16, followed by a final payment of £485.16, which included a £200 option to purchase fee.

Mr H said that in June 2025, the car broke down and he required assistance from a third-party breakdown and recovery company. The report from the breakdown company said that the car’s warning light illuminated due to low oil pressure. The undertray was removed and the sump plug was found on the tray.

Mr H said he was told that the car had been repaired by the dealership. However, he believed the repair failed as the car broke down again a couple of days later.

Mr H complained to Advantage as he wished to reject the car. An independent inspection was completed on the car in September 2025 which found the fault with it was likely not present or developing at the point of supply. And so, Advantage issued their final response explaining that they didn’t uphold Mr H’s complaint.

Unhappy with Advantage’s response, Mr H referred the complaint to our service.

Our investigator partly upheld this complaint. In summary, he said that he didn’t think Mr H could reject the car. But did think that Advantage should pay Mr H £150 for the distress and inconvenience caused by this complaint.

Advantage accepted our investigator’s findings. And Mr H disagreed with the investigator’s opinion. Among other things, Mr H provided some further information about what he was told when the car was repaired by the dealership. Mr H believed that had the car been properly investigated, then the further breakdown or worsening damage to the car could have been avoided.

Our investigator responded and said that the car’s fault wasn’t present at the point of supply, and so Advantage didn’t need to do anything further.

As Mr H 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 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 H 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 H's complaint about Advantage.

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 – Advantage 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. It's important to point out in this case that the CRA specifically explains that the durability of goods can be considered part of whether they are unsatisfactory quality or not.

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 H acquired was used, over six years old, had been driven over 110,000 miles and cost £10,250. 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 by either party here that the car developed a fault. I say this because Mr H has explained that the car broke down in June 2025 and notes from the breakdown recovery company explained that the car's sump plug had fallen out of the car and was found in the undertray.

Further diagnostics and reports completed on the car suggest that the sump was cracked, which resulted in the car losing oil.

Considering the above, I'm satisfied there was a fault with the car in June 2025.

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

What I now need to consider is whether the fault with the car was present or developing at the point of supply, or whether it meant the car wasn't reasonably durable, to determine whether it was supplied to H of satisfactory quality.

I'm mindful of the comments made by the independent engineer who inspected the car in September 2025. The engineer concluded that the fault would not have been present at the point the car was supplied to Mr H. I'm also mindful that I haven't been supplied with any evidence or information from a mechanic to suggest that the fault with the car was present or developing at the point of supply.

Given the nature of the oil leak, I would have expected it to have presented itself much sooner than it did, had the issue been present at the point of supply. Considering things here, I'm persuaded by the comments made by the independent engineer, and so I think it is likely the fault with the car wasn't present at the point of supply.

I also haven't seen anything to suggest the car wasn't supplied to Mr H in a durable state, taking into account the age, mileage, and cost of the car. I think it is reasonable to expect that problems might occur when a car reaches this age and mileage.

Considering the above, I'm satisfied the car supplied to Mr H was of satisfactory quality.

I appreciate Mr H's comments and how he thinks circumstances could have been mitigated if a thorough investigation was completed as to the fault with the car. However, given I'm not satisfied the fault would have been present at the point of supply, I don't think it is fair to hold Advantage responsible for any possible drive on damage.

Distress and inconvenience

As our investigator has explained, I'm mindful that Advantage on this occasion had given Mr H the impression that the car could be rejected when he initially complained to them, only to retract this offer once further investigation was completed to the car. I think Advantage could have handled things better on this occasion. In light of this, I think it is fair and reasonable that Advantage pay Mr H £150 for the distress and inconvenience caused.

My final decision

For the reasons I've explained, I uphold this complaint and I instruct Advantage Finance Limited to put things right by paying Mr H £150 to reflect the distress and inconvenience caused by this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 30 April 2026.

Ronesh Amin
Ombudsman