

The complaint

Mr T is unhappy that a car supplied to him under a hire purchase agreement with Blue Motor Finance Ltd (Blue Motor) was of an unsatisfactory quality.

What happened

In May 2025 Mr T was supplied with a used car through a hire purchase agreement with Blue Motor. He paid a deposit of £1,000 and the agreement was for £5,659.68 over 31 months; with 31 monthly payments of £150.28. At the time of supply, the car was around 13 years old and had done 86,092 miles.

Mr T said that in September 2025 the power steering on the car failed, almost causing him to collide with a wall. This was just a few months after the transmission had failed. Mr T said the transmission fault was eventually fixed, and the repair paid for by the supplying dealer.

He said that he wanted to reject the car as it had two major faults in less than four months. He was unhappy that Blue Motor had not accepted his request to reject the car.

Blue Motor did not uphold Mr T's complaint. They said that they had arranged for an independent inspection. They said the report concluded that the fault with the power steering can occur sporadically at any time, and when considering the time and mileage done since he acquired the car, the independent engineer did not consider the faults to have been developing at that time.

Mr T was unhappy with this response, so he referred his complaint to our service for investigation.

Our investigator said that she hadn't seen any evidence that the issue with the power steering was present or developing when he was supplied with the car. But she did think the fault with the transmission meant the car wasn't of a satisfactory quality. She said that Blue Motor should refund Mr T's payments for the time he was without the car and before he was given a courtesy car.

Mr T didn't agree with the investigator that the power steering failure was unrelated to the earlier repair of the transmission.

He said the power steering fault arose shortly after the major transmission repair and involved physical leakage and damage. He said this indicated a likely knock-on effect rather than an isolated failure. He said our investigator had placed undue weight on the opinion of the independent engineer.

Because Mr T didn't agree, this matter has been passed to me to make 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.

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.

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. Mr T was supplied with a car under a hire purchase agreement. This is a regulated consumer credit agreement which means we are able to investigate complaints about it.

The Consumer Rights Act 2015 (CRA) covers agreements such as the one Mr T entered into. Under this agreement, there is an implied term that the goods supplied will be of satisfactory quality. The CRA says that goods will be considered of satisfactory quality where they meet the standard that a reasonable person would consider satisfactory – taking into account the description of the goods, the price paid, and other relevant circumstances.

So, if I thought the car was faulty when Mr T took possession of it, or that the car wasn't sufficiently durable, and this made the car not of a satisfactory quality, it'd be fair and reasonable to ask Blue Motor to put this right.

Here, I'll consider that Mr T's car was around 13 years old and had covered 86,000 miles. So I don't think a reasonable person would expect it to be in the same condition as a newer, less road worn one. And I'm satisfied they would expect the car to have parts affected by wear and tear.

Fault

In this instance, it's not disputed there was a problem with the transmission on the car, nor that this fault was present when the car was supplied to Mr T. This fault was repaired at no cost to Mr T. That was the appropriate remedy for that issue under the CRA.

Mr T said there are still issues with the transmission, but no mention is made of this by the garage who he asked to inspect the car. So I'm not persuaded that the repair has failed.

The issue I have to consider is whether or not the fault with the power steering was present or developing at the time the car was supplied to Mr T. I also need to consider Mr T's contention that the fault was linked to the repair to the transmission.

Independent Engineer's Report

I've seen a copy of the independent engineer's report, dated 18 September 2025. In this report, the engineer said there had been a complete loss of power steering assistance. He said this was *"not uncommon on this steering rack type and is typically due to the electrical fatigue of the motor"*. He concluded that the fault would not have been developing at the time the car was supplied to Mr T due to the time passed since he acquired the car and the mileage done in that time.

He also said that he considered this fault was not related to the previous issue with the transmission.

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.

Mr T said the engineer was wrong to describe the faults as a sporadic failure. He provided a comment from the garage who he'd asked to inspect the car. It said the damage to the power steering rack was done when the gearbox was removed and refitted as part of the earlier repair to the transmission. It said it had fitted genuine seals on the pipes, but this hadn't cured the problem.

The independent engineer was invited to consider that opinion. He disagreed with it. He explained why it wouldn't make any sense to replace the seals – this was because any damage to the pipes would not be where the seals were located but in the main body area.

Mr T also said that a friend who was a mechanic told him the fault was caused by an oil leak in the power steering system.

Where evidence has been incomplete or contradictory, as it is here, I'll reach my decision on the balance of probabilities – what I think is most likely to have happened given the available evidence and wider circumstances.

In this instance I am more persuaded by the report provided by the independent engineer. I understand that Mr T believes too much weight had been given to this report. But I find it more persuasive as it clearly explained why the fault with the power steering was unrelated to the transmission repair, including an explanation of why the garage's findings were inaccurate.

So I'm satisfied that it's unlikely that the fault with the power steering is directly related to the earlier transmission issue. I'm also persuaded that the fault with the power steering wasn't present or developing at the time of sale. I think it was more likely than not to have been caused by wear and tear. I say that because the car had done 89,432 miles by this point, with Mr T having done 3,340 miles in the four months he had it, and the engineer described the fault to have been due to "*fatigue*".

I know that Mr T will be disappointed, but I won't be asking Blue Motor to take any action to resolve the issue with the power steering.

Single Chance at Repair

Section 24(5) of the CRA says if a different fault arises after a previous repair, even if those faults aren't related, the single chance of repair has already happened – it's not a single chance of repair per fault. But I don't think that applies here because, as I've explained above, I'm satisfied that the issue with the power steering was not a satisfactory quality issue. So Mr T doesn't have that right of rejection.

Putting things right

Payment Refund

The car was off the road due to the transmission issue and undrivable from 27 June 2025 when Mr T reported the fault until 8 July 2025 when he was supplied with a courtesy car. As such, he was paying for goods he was unable to use. As, for the reasons already stated, I'm satisfied the car was off the road due to it being of an unsatisfactory quality when it was supplied, and as Blue Motor failed to keep Mr T mobile, I'm satisfied they should refund the payments he made during this period.

Distress & Inconvenience

Mr T has been inconvenienced by having to arrange for the repair to the transmission, and having to arrange for it to be recovered, and then taken to the garage for repair. He's also described the impact on him and his daily activities. Mr T would not have to do some of these, had Blue Motor supplied him with a car that was of a satisfactory quality. So, I think Blue Motor should pay him £100 in compensation to reflect the distress and inconvenience caused.

Therefore, Blue Motor should:

- refund the payments for the period 27 June 2025 to 8 July 2025;
- apply 8% simple yearly interest on the refunds, calculated from the date Mr T made the payment to the date of the refund[†]; and
- pay Mr T £100 to compensate him for the distress and inconvenience caused by being supplied with a car that wasn't of a satisfactory quality.

[†]If Blue Motor considers that tax should be deducted from the interest element of my award, they should provide Mr T with a certificate showing how much they have taken off so he can reclaim that amount, if he is eligible to do so.

My final decision

For the reasons explained, I uphold Mr T's complaint about Blue Motor Finance Ltd and they are to follow my directions above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 11 March 2026.

Gordon Ramsay
Ombudsman