

The complaint

Mr T complains about the quality of a car he acquired from STARTLINE MOTOR FINANCE LIMITED (“Startline”).

What happened

Mr T entered into a hire purchase agreement for the supply of a used car around 14 October 2025. The car was around eight years old and had covered over 105,000 miles when supplied.

Very quickly he had a problem and by 28 October 2025 he had asked to reject the car and end the agreement, as there was a loud knocking noise coming from the engine. He stopped using the car soon after this.

The car was collected a month later by the supplying dealership who said that they had to add over three litres of oil to it, so they felt the engine damage had been caused by a lack of oil.

There was some confusion about who was answering the complaint as investigations seem to have been carried out by a broker, who then confirmed they couldn't give rights to refer it to our service as only the finance company could do this. Eventually, the finance company have engaged with the complaint and instructed an independent engineer to carry out an inspection. This happened in January 2026.

The mileage at this point was noted as 106,385 miles, and it confirmed that this was actually only around 800 miles more than when the car was supplied. The inspection said that they were aware the car fault occurred two weeks after supply, and two days after the car was presented back to the supplying dealership due to the oil light being on. They said that they couldn't see any evidence of oil being recently added to the car, nor any evidence of oil leaks. They said they started the car and quickly turned it off due to the knocking noise, to avoid causing any further damage.

They concluded that the typical causes of the kind of damage it sounded like the car had were either poor lubrication, or elevated wear of internal bearings or pistons. They said that while they couldn't see any evidence of the supplying dealership adding over three litres of oil, if they had, this would suggest a massive engine problem as the car had consumed three and a half litres of oil in 800 miles of driving, which would indicate a severe engine issue.

They concluded that the car wasn't durable and faults were developing at the point it was supplied. The investigator at our service therefore upheld the complaint, referencing the findings of the independent engineer appointed by Startline. Mr T accepted this, but Startline didn't. They asked for an Ombudsman to make a final decision and focused on the independent engineer saying they had found no evidence of the oil being topped up by the supplying dealership, saying this contradicts what the supplying dealership have said.

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. Mr T 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, Startline 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 and its durability. Durability means that the components of the car must last a reasonable amount of time.

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 Startline can show otherwise. But where a fault is identified after the first six months, the CRA implies that it's for Mr T to show it was present when the car was supplied.

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 Startline to put this right.

I'll be honest, I am a little baffled with the argument Startline are trying to make that they are not liable for the condition of the car. The independent engineer report is clear, and Startline appointed the independent engineer to assess the car. The engineer has said they can't see any evidence such as spills or wiping up that the oil has been replaced recently.

The engineer then says that if the supplying dealership has had to top up three and a half litres of oil after Mr T had the car for two weeks, then it's clear there was a massive engine problem causing the car to use that much oil, as the engineer can't find any evidence of oil leaks.

Startline have argued that the engine bay had been steam cleaned before the independent inspection, so they couldn't fairly conclude there was no evidence of an oil leak. I'm not sure if they are trying to suggest that Mr T steam cleaned the engine bay, or the supplying dealership did, but either way, if there was a significant oil leak inside the first month, and then evidence of that has been cleaned away, I'd still say the car was of unsatisfactory quality and Mr T was entitled to reject it.

The only alternative possible theories that I can think that could have happened are that they supplied the car with little to no oil in it, which then caused the engine failure. Or that the supplying dealership didn't top the oil up when they said they did, which would mean a

catastrophic engine failure after two weeks which wasn't linked to oil deprivation. Any of these things would make Startline liable for the failure of the car here, so I really don't understand the argument.

The issues occurred with the car less than two weeks and less than 1,000 miles driving after it was supplied. I accept that it was an older, higher mileage car when supplied, but a consumer has a right to expect the car not to suffer what appears to be massive engine failure inside the first two weeks, no matter how old or high mileage it was at supply.

The CRA says that inside the first six months, if a satisfactory quality fault occurs, its assumed it was present or developing at the point of sale, unless the supplier can show different. In this instance, there seems no argument that the engine has major problems, and that they occurred inside the first month, and I've seen no expert testimony or evidence to suggest that this isn't the supplier's responsibility.

Finally, I am satisfied that Mr T asserted his right to reject the vehicle inside the first thirty days, as is required by the CRA. As such, I agree with the investigator opinion here that Mr T has the right to reject the car. I also agree with the redress set out by the Investigator. Mr T has asked us to consider lost work due to the problems with the car, but I won't be doing this in addition to the already recognised costs and refunds. He will be refunded for his monthly payments for the car after the time it failed on 28 October 2025, which means that those monthly rentals are refunded or don't need to be paid, in effect to allow him to pay for alternative transport.

Alongside this, the inconvenience he was caused is covered under the award for distress and inconvenience. The investigator awarded £300 for this, which I think reflects the problems he's suffered after being supplied with an unsatisfactory quality car. While I know he is frustrated by the complaint handling of Startline and their broker, we can't make any findings or awards specifically about this as complaint handling isn't a regulated activity that we can make findings about.

Mr T has said he had to pay £100 for a diagnostic report, which I think it's fair is refunded to him on production of proof of payment. I also think he made a sensible choice to stop using the car after 28 October when it's clear that further driving could cause further damage to the engine.

Putting things right

I instruct Startline to carry out the following to put things right here:

- End the finance agreement with no more monthly payments for Mr T to make.
- Collect the car (if not done already) at no cost to Mr T.
- Refund any deposit for the car if one was paid.
- Refund Mr T for all monthly rentals from 28 October 2025 pro rata to the date of settlement and write off any monthly rentals not paid after this date.
- Refund Mr T the costs of his diagnostic report on proof of payment.
- Pay 8% simple interest per annum for all refunded amounts from the date of payment to the date of settlement.
- Pay a further amount of £300 to recognise the distress and inconvenience caused to Mr T by the supply of a faulty car.
- Remove any adverse information from Mr T's credit file in relation to this agreement.

My final decision

I am upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 26 March 2026.

Paul Cronin
Ombudsman