

## **The complaint**

Mr V is unhappy that a car supplied to him under a hire purchase agreement with Tandem Motor Finance Limited (Tandem) was of unsatisfactory quality.

When I refer to what Mr V or Tandem have said or done, it should also be taken to include things said or done on their behalf.

## **What happened**

In November 2024, Mr V acquired a used car through a hire purchase agreement with Tandem. The car was first registered in June 2016 and had travelled around 61,880 miles. The cash price of the car and amount of credit was for £9,000 and the duration of the agreement was 60 months; with 59 monthly payments of £258.38 and a final payment of around £268.38.

When test driving the car, Mr V noticed a strong fuel smell. He says he was told this was coming from the sales representative's clothes, but it didn't go away following supply and became stronger on the motorway. He took the car back to the dealership, but when he collected it two weeks later says the smell was still there. He also said the horn, key lock and 12 volt charging point didn't work.

Mr V took the car to an approved dealer, who identified various issues with the car, including split bushes and engine, gearbox and differential oil leaks. The car was returned to the dealership again, who said repairs were completed in February 2025.

Two days after collecting the car, Mr V complained to Tandem. He said the faults persisted and he wanted to reject the car.

The dealership acknowledged they'd had the car for an extensive period but said Mr V agreed to repairs and was kept mobile with a courtesy car during this time. They said Mr V returned the car the same day he collected it, alleging repairs hadn't been done. However, he didn't provide any evidence of failed repairs. Additionally, they said Mr V alleged the dealership had damaged the rear bumper, but they believe this was there when it was returned to them. However, they offered to fix the bumper as a goodwill gesture to resolve matters for Mr V – which he later agreed to.

While the car was with the dealership, Mr V contacted Tandem to request rejection in March 2025. He followed this up with an email confirming he'd returned the courtesy car he'd been provided around two weeks prior so he could proceed with rejection. He said the car was still with the dealership due to failed repairs and it had been with them for over three months which is beyond a reasonable timeframe.

The dealership confirmed the initial faults had been repaired, and the car had been returned to them for the goodwill bumper repair, key repair and re-gassing the air conditioning. They said the repairs were finished, but Mr V was refusing to collect the car. In its final response, Tandem said the car had been fully repaired so Mr V didn't have the right to reject it.

Our Investigator reviewed matters and didn't think Tandem needed to do anymore to put things right for Mr V. They were satisfied repairs had been carried out and didn't think there was enough evidence to support there was an ongoing fault with the car, or that the repairs had failed.

Mr V didn't agree. And as no agreement was reached, the matter was passed to me to decide.

I wrote to Tandem to ask that it arrange an independent inspection of the car. I explained that Mr V has reported ongoing issues with the horn, oil leak and petrol smell, which were all reported within the first six months of the agreement, and soon after getting the car back following repairs. Therefore, I considered it reasonable that Tandem arrange and pay for the inspection – for reasons I'll go on to explain later in this decision. Tandem maintained that repairs were carried out, but Mr V continued to report issues without any evidence – so it was for him to prove there was an ongoing fault. However, it agreed to pay for the report as a gesture of goodwill if Mr V arranged this. It said it would pay upfront so Mr V didn't incur any costs.

This Service sent Tandem the payment link and form multiple times from 1 December 2025. Unfortunately, the inspection didn't go ahead due to payment not being made. As I considered Tandem had more than sufficient time to arrange and pay for an inspection, I proceeded to reach a decision on the case based on the evidence available.

I issued a provisional decision, setting out my intention to uphold the complaint. I said:

*I think it's important to firstly explain I've read and taken into account all of the information provided by both parties, in reaching my decision. If I've not reflected something that's been said it's not because I didn't see it, it's because I didn't deem it relevant to the crux of the complaint. This isn't intended as a discourtesy to either party, but merely to reflect my informal role in deciding what a reasonable outcome is. 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.*

*Mr V acquired the car using 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 V entered into. Under this agreement, there is an implied term that the goods supplied will be of satisfactory quality. Tandem is the supplier of the car and therefore responsible for complaints about its 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. In this case those relevant circumstances include, but are not limited to, the age, mileage and cash price of the car at the point of supply. The CRA says the quality of the goods includes their general state and condition, as well as other things like their fitness for purpose, appearance and finish, freedom from minor defects, safety, and durability.*

*In Mr V's case the car was used, with a cash price of £9,000. It had covered around 61,880 miles and was nearly eight years old when he acquired it. So, what would be considered satisfactory quality would be significantly different to if Mr V had acquired the same car brand new and at a greater cost. As this was a used car with considerable mileage and age, it's reasonable to expect parts may already have suffered wear and tear, and would need to be replaced sooner, when compared to a new car or one that is less travelled.*

*It's important to note that even where a fault is found to be present at point of supply, this doesn't always mean the car was of unsatisfactory quality. And in Mr V's case, there are some faults that I think can be reasonably expected of a car of its age and mileage, such as the cosmetic damage, split bushes and faulty 12-volt charging point.*

*However, I wouldn't expect the car to be supplied with any significant faults, and I would expect it to be sufficiently safe and durable. And where it's found that a car was not of satisfactory quality when it was supplied, it'd be fair and reasonable to ask the finance provider, in this case Tandem, to put this right.*

*The CRA sets out that goods which do not conform to the contract at any time within the period of six months, beginning on the day on which the goods were delivered to the consumer, must be taken not to have conformed to it on that day. Therefore, where a fault occurs within this timeframe, it is down to the finance provider to show there isn't a fault which makes the car of unsatisfactory quality.*

*I've carefully considered Mr V's version of events and the evidence provided by both parties. Having done so, it's clear Mr V has experienced various issues since the car has been in his possession, all of which were reported within the first three months of the agreement. It doesn't seem to be disputed there were faults with the car, or that the various oil leaks rendered the car of unsatisfactory quality when it was supplied to Mr V. Repairs have been carried out at no cost to him and he was kept mobile with a courtesy car while these took place – as I'd expect. What remains in dispute here is if the car remains faulty, or if the repairs have failed to bring the car to a satisfactory quality.*

*Mr V reports ongoing issues with the horn, oil leak and petrol smell that worsens as he drives the car. I consider these issues pose concerns about the safety and roadworthiness of the car, that I don't think a reasonable person would expect so soon after acquiring it, or after it had been at the dealership for repairs for a significant period of time.*

*I recognise there is little evidence here, beyond Mr V's testimony, that the faults persist. However, Mr V evidenced these faults existed within the first six-months of the agreement. He returned the car to the dealership on the same day he collected it, reporting persisting issues with the same symptoms he'd experienced prior to the repairs. While Mr V hadn't provided evidence of these persisting faults, I don't think it's reasonable to have expected him to do so in the circumstances. The dealership had ample opportunity to investigate Mr V's ongoing concerns and provide evidence that the faults had been resolved by the repairs and no longer existed. Equally, Tandem had ample opportunity to arrange an independent inspection of the car, to determine whether the faults remained present or if the repairs had failed. And it's my view that it would've been reasonable for it to do so, given the little amount of time the car had been in Mr V's possession when he reported the ongoing faults, and the requirement under the CRA for Tandem to show there isn't a fault that would make the car of unsatisfactory quality.*

*In summary, I'm satisfied the car was of unsatisfactory quality when it was supplied to Mr V due to the various oil leaks and horn fault. Repairs weren't carried out within a reasonable timeframe, as required by the CRA. Mr V reported ongoing oil leaks and a faulty horn. Given these faults were confirmed within the first six months of the agreement, and were reported by Mr V as persisting on the same day the car was returned to him, I consider it was Tandem's responsibility to prove there was no longer a fault with the car that rendered it of unsatisfactory quality, as set out in the CRA. Tandem have failed to adequately evidence that the repairs haven't failed. And having considered Mr V's description of the issues he experienced before and after the repair, I intend to find the car wasn't of satisfactory quality when it was supplied to Mr V, and remained of unsatisfactory quality after Tandem had the opportunity to repair it.*

### *Putting things right*

*Subject to any further submissions and evidence I receive from the parties before the response deadline, I plan to say Tandem should do the following to put things right for Mr V.*

*The dealership has had several opportunities to repair the car and was in possession of it for a significant period of time. While I acknowledge Mr V was provided with a courtesy car, I don't consider the repairs carried out were completed within a reasonable timeframe, as required under the CRA. And for the reasons I've explained above, I've not been provided with sufficient evidence that the repairs have fixed the faults that rendered the car of unsatisfactory quality.*

*Based on the above, I consider Mr V has fair grounds to reject the car. I therefore intend to say Tandem should end the agreement with nothing further to pay and arrange collection of the car at no cost to Mr V. When cancelling the agreement, Tandem should ensure no adverse information is recorded on Mr V's credit file.*

*Mr V has had some usage of the car while it's been in his possession. And as I've mentioned, he was provided with a courtesy car to keep him mobile while it was at the dealership for repairs. Because of this, I think it's only fair that he pays for this usage. I understand Mr V returned the courtesy car at one point so he could proceed with rejection, so would've been without a car for some time. But as he had the option of a courtesy car during this time, I don't think it would be reasonable to ask Tandem to refund any payments for loss of use here.*

*Mr V has confirmed that since collecting the car from the dealership, he has continued to drive it. I'm therefore satisfied the faults haven't impacted Mr V's ability to use it. However, Mr V has described persistent issues with the horn, oil leaks and petrol smell, so I consider the use he has had to have been impaired. Additionally, while Mr V was provided with courtesy cars, he was without the car he acquired for a significant period in the first four months of the agreement. So, having considered all of the circumstances of this complaint, I find it reasonable for Tandem to refund 10% of the monthly payments Mr V has paid since the beginning of the agreement, to compensate him for the impaired use and loss of enjoyment he's had of the car.*

*Tandem should also refund any amounts Mr V paid to have the car inspected on receipt of proof of payment.*

*Interest should be added to all refunded amounts, calculated at 8% simple per year from the date of payment until the date of settlement.*

*Lastly, I've considered that Mr V has been inconvenienced by needing to take the car back to the dealership multiple times for repairs and arrange for it to be inspected twice. I therefore think Tandem should pay Mr V £250 compensation in recognition of the distress and inconvenience caused.*

### **Responses to my provisional decision**

I invited both parties to respond with any further points or evidence they wanted me to consider before I issued my final decision on this complaint.

Mr V didn't respond and Tandem didn't agree. In summary, it said no independent inspection has been carried out to verify the alleged faults and the evidence available is insufficient to confirm there is a fault with the car. So, it considered this should be obtained before a final decision is reached. Additionally, it said the Investigator didn't uphold the complaint, and no

new substantive evidence has been provided since – so it's unclear on what evidential basis my provisional decision has departed from the Investigator's findings.

### **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.

Firstly, I acknowledge our Investigator reached a different outcome on this complaint. However, as Tandem should be aware, I'm required to reach my own findings having reviewed the complaint independently.

The Financial Ombudsman Service's powers to manage complaints are set out in the DISP rules. DISP 3.5.8R says:

*"The Ombudsman may give directions as to:*

- (1) the issues on which evidence is required;*
- (2) the extent to which evidence should be oral or written; and*
- (3) the way in which evidence should be presented."*

Where the respondent fails to meet deadlines or refuses to provide information we've asked for, DISP 3.5.9 R and DISP 3.5.14 R say:

*"The Ombudsman may:*

- (3) reach a decision on the basis of what has been supplied and take account of the failure by a party to provide information requested."*

*"If a respondent fails to comply with a time limit, the Ombudsman may:*

- (1) proceed with consideration of the complaint; and*
- (2) include provision for any material distress or material inconvenience caused by that failure in any award which he decides to make."*

I've set out within my provisional decision why I consider the onus was on Tandem to obtain an independent report in the circumstances of this case. Tandem hasn't provided any new information or submissions in relation to this point, so I see no reason to depart from my initial findings on this.

Mr V returned the car to the dealership in February 2025 reporting persisting issues following repairs. Tandem has therefore had around a year to obtain an independent report in this case. Since the case was referred to this Service, our Investigator gave it an opportunity to do this in June 2025 – which it refused to do. I then provided Tandem further opportunity to do this in October 2025, after explaining why I considered it should've done this to determine if the repairs had failed. Tandem agreed to pay for the report upfront providing Mr V arranged this.

Our Investigator sent Tandem the link to the prepayment form multiple times over a two-month period – but it didn't make the payment, or any attempt at assisting Mr V with arranging the inspection to ensure it took place within a reasonable timeframe. Tandem was informed twice that if it failed to make the payment by the deadline set, an Ombudsman will reach a decision based on the evidence available. I'd also note my provisional decision allowed Tandem a further two weeks to obtain additional evidence, such as an independent report, which it hasn't done.

Based on the above, I consider Tandem has had more than fair opportunity to obtain an independent report in this case – and I don't consider it reasonable to delay the outcome of the case further by giving Tandem more time to do this. So, I've reached my decision based on the evidence available – which our rules allow me to do.

Outside of the first 30 days of the agreement, during which a consumer has a short term right to reject, the CRA says a consumer has a right to reject if the goods do not conform to contract after one repair or replacement. The CRA is clear that, if the single chance at repair fails, then the customer has the right of rejection. It also says where a consumer requires the trader to repair or replace the goods, this must be done within a reasonable time and without significant inconvenience.

As Tandem hasn't provided any new evidence for my consideration, I see no reason to alter the conclusions set out within my provisional decision. That is, Mr V was supplied with a car that was of unsatisfactory quality and the repairs weren't carried out within a reasonable timeframe – as required under the CRA. Tandem has failed to adequately prove the faults Mr V reported within the first six months of the agreement no longer exist, and the repairs brought the car back to conformity, within a reasonable timeframe. And based on the evidence that is available, including Mr V's description of the ongoing faults following repairs, I'm persuaded it's more likely than not the car remained of unsatisfactory quality following Tandem's single chance at repair – so he should now be able to reject it.

### **My final decision**

For the reasons I've explained, my final decision is that I uphold Mr V's complaint about Tandem Motor Finance Limited and direct it to:

- end the agreement with nothing further for Mr V to pay;
- arrange collection of the car at no cost to Mr V;
- remove any adverse information in relation to this agreement from Mr V's credit file - and the credit agreement should be marked as settled in full, or something similar, and should not show as voluntary termination;
- refund 10% of the payments Mr V has paid towards the agreement since its inception;
- refund any amounts Mr V has paid to have the car inspected – on receipt of evidence of the loss incurred;
- pay 8% simple yearly interest on the refunded amounts from the date of payment until the date of settlement†; and
- pay Mr V £250 compensation for the distress and inconvenience caused.

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr V to accept or reject my decision before 20 March 2026.

Nicola Bastin  
**Ombudsman**