

## The complaint

Mr J complains that a car supplied to him under a hire purchase agreement with STARTLINE MOTOR FINANCE LIMITED (SMF) is of unsatisfactory quality.

## What happened

The circumstances surrounding this complaint and my initial findings were set out in my provisional decision which said:

*In April 2024, Mr J entered into a hire purchase agreement with SMF to acquire a used car. The car was around six years old, with a mileage of around 49,433 miles. The cash price of the car was £11,798.00 and an advance payment of £2,599.00 was paid by trade in and cash.*

*The total amount payable on the agreement was £17,729.00 payable by 59 payments of £252.00 followed by a final repayment of £262.00.*

*Mr J explained that around seven months into the agreement, the vehicle broke down. This was recovered to a repairer with engine failure diagnosed. Mr J complained to SMF. An independent inspection was carried out after a warranty inspection, with the inspector stating the vehicle was not sold in a durable condition.*

*SMF did not uphold the complaint due to Mr J being aware of a lack of full-service history on the vehicle, and that he hadn't had the vehicle serviced either. SMF did offer £250 for distress and inconvenience.*

*As Mr J did not agree with the outcome, he brought his complaint to this service, where it was passed to one of our investigators. The investigator upheld the complaint. They explained that the car was not sufficiently durable.*

*Mr J accepted the outcome, but SMF disagreed, providing some further comments. As this didn't change the investigator's outcome, I've been asked to review the complaint to make a decision.*

I sent Mr J and SMF my provisional decision. I explained why I thought the complaint should be upheld. The key parts of my provisional findings are copied below:

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

*I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach my decision.*

*Mr J acquired a car under a hire purchase agreement. Entering into consumer credit contracts like this is a regulated activity, so I'm satisfied we can consider Mr J's complaint about SMF. SMF is also the supplier of the goods under this type of agreement meaning*

*they are responsible for a complaint about the supply of the car and its quality.*

*The Consumer Rights Act 2015 (CRA) is relevant in this case. It says that under a contract to supply goods, there is an implied term that “the quality of the goods is satisfactory, fit for purpose and as described”. To be considered as satisfactory, the CRA says the goods need to meet the standard that a reasonable person would consider satisfactory, considering any description of the goods, the price and all the other relevant circumstances.*

*So, it seems likely that in a case involving a car, the other relevant circumstances a court would consider might include things like the age and mileage at the time of sale and the vehicle’s history.*

*In this case, Mr J acquired a car that was around six years old and had travelled around 49,433 miles. As this was a used car with this mileage and age, it’s reasonable to expect parts may already have suffered more wear and tear when compared to a new car or one that is less travelled. There’s a greater risk this car might need repair and/or maintenance sooner than a car which wasn’t as road-worn.*

*I’ve reviewed the available evidence about the issues Mr J experienced with the car. Based on what I’ve seen, I’m satisfied that there was a fault with the engine.*

*I say this because neither SMF nor Mr J dispute the engine needs replacement, and I’ve seen an independent inspection confirming the engine faults. Having considered the car had a fault, I’ve considered whether it was of satisfactory quality at the time of supply.*

*Mr J was able to travel over 15,000 miles since the point of supply. However, the vehicle itself when it failed had travelled around a total of around 65,132 miles according to the inspection report.*

*I acknowledge what has been said about the vehicle’s previous service history and have kept this in mind. However, I am persuaded by the independent inspection report that this vehicle was not sold in a suitably durable condition. I say this because Mr J paid a not insignificant amount for the vehicle, and a reasonable person may not expect to have run into the kind of issue he did with it within around 15,000 miles.*

*I have nothing to persuade me that Mr J was made aware that the vehicle may need a replacement engine within 15,000 miles of purchase, and whilst it may not have been sold as having a full-service history, I don’t think a reasonable person could have foreseen the severity of the issue Mr J’s vehicle suffered. This is backed up by the independent inspection report, explaining that the vehicle was not sold in a durable condition as evidenced by the breakdown and faults happening when they did.*

*This is not to say that Mr J not having the vehicle serviced himself should be ignored entirely, but I am persuaded that the vehicle was not of satisfactory quality when it was supplied, based on all the information available including service interval guidelines and in particular the information contained in the inspection report detailing the condition of the vehicle and Mr J’s use of it. It is also stated that Mr J was misled about some of the maintenance that had happened on the vehicle prior to him acquiring it.*

I invited both parties to make any further comments. Mr J responded to accept the provisional decision. SMF stated the vehicle is currently dismantled and as such not suitable for collection or assessment. SMF state they will not take the vehicle back until it has been fully reassembled and returned to a satisfactory standard.

Now both sides have had an opportunity to comment. I can go ahead with my final decision.

### **What I've decided and why**

As none of the responses to the provisional decision contained any information that changes my outcome or reasoning, I see no reason to depart from those findings outlined above and my decision remains the same. I'll explain my position on SMF's question here.

I acknowledge what SMF has stated. The vehicle may well be in a different state due to the diagnostic work that was required to show the vehicle was not of satisfactory quality. This has only been necessary in this case because the vehicle was of unsatisfactory quality.

I appreciate what SMF have explained, and it is not unreasonable that the vehicle is put back as requested by SMF, however this should not be at Mr J's expense as the vehicle is of unsatisfactory quality, he should not incur any expense for this. It will be for SMF and the repairer to come to this arrangement on how this is done or if SMF wish to collect the vehicle as is.

### **Putting things right**

I've carefully considered the information available, and in doing so, I'm persuaded that rejection of the vehicle is a fair outcome. I say this because it is unlikely that the repair cost will be economically viable for SMF. The vehicle has also been out of use for some time, and may well have developed further issues during this time.

As such, SMF should arrange to end the agreement and collect the vehicle at no cost to Mr J if this has not already happened. SMF should also reimburse Mr J's deposit amount – although SMF is entitled to keep any part of this made up of dealer contributions if applicable.

Mr J has been unable to use the vehicle since November 2024. Because of this, it is fair for SMF to refund him his monthly payments made after November 2024. I note Mr J has sent in some costs for a hire car, however it is reasonable that Mr J pays something towards his transport and as such it would not be fair for me to direct SMF to also cover this cost.

If Mr J has paid any diagnostic costs that have not been reimbursed as a result of the vehicle not being of satisfactory quality when it was supplied, these should also be reimbursed by SMF if evidence of the costs can be presented.

I agree with the investigator that it is fair for SMF to pay Mr J £250 for the distress and inconvenience caused, as Mr J has had to spend time and effort to try to have the issues diagnosed and resolved, and has encountered inconvenience during this timeframe. I note SMF have already offered this amount to Mr J previously, and so if this has already been paid, this does not need to be paid again.

### **My final decision**

For the reasons explained, I uphold Mr J's complaint and instruct STARTLINE MOTOR FINANCE LIMITED must follow my directions above to do the following:

- End the agreement and collect the vehicle as outlined above.
- Reimburse the deposit paid as outlined above.
- Pay a refund of some monthly instalments as outlined above.

- Reimburse evidenced diagnostic costs if applicable.
- pay 8% simple yearly interest\* on the above, to be calculated from when Mr J made the payments to the date of the refund.
- Remove any incorrect adverse information that may have been recorded with the credit reference agencies in respect of the agreement as outlined above.
- Pay £250 for distress and inconvenience if this has not been paid already.

\*HM Revenue & Customs requires STARTLINE MOTOR FINANCE LIMITED to deduct tax from the interest amount STARTLINE MOTOR FINANCE LIMITED should give Mr J a certificate showing how much tax it has deducted If he asks for one. Mr J can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 13 April 2026.

Jack Evans  
**Ombudsman**