

## The complaint

Mr T complains that a van that was supplied to him under a hire purchase agreement with AutoMoney Limited wasn't of satisfactory quality and was misrepresented to him. Mr T is being helped with his complaint by a representative.

## What happened

I issued a provisional decision on this complaint last month in which I described what had happened as follows:

*"A used van was supplied to Mr T under a hire purchase agreement with AutoMoney in March 2025. The price of the van was £9,250, Mr T paid a deposit of £1,589 and he agreed to pay £425.90 and 51 monthly instalments of £226.90 to AutoMoney. Mr T complained to AutoMoney about issues with the van in May 2025, but it didn't uphold his complaint. It said that it didn't accept that the van was misrepresented, unroadworthy, or not of satisfactory quality.*

*Mr T wasn't satisfied with its response so referred his complaint to this service. His complaint was looked at by one of this service's investigators who, having considered everything, didn't think that AutoMoney had acted fairly. She concluded that the van was advertised and supplied to Mr T with an incorrect mileage and that it wasn't of satisfactory quality when it was supplied. She recommended that AutoMoney should: end the finance agreement and take the van back; refund Mr T's deposit and 25% of the repayments he's made on the agreement, with interest; pay the cost of the May 2025 inspection report and £48 for the October 2025 report; and pay £200 for any distress or inconvenience that has been caused.*

*AutoMoney said that the supplying dealer had requested that it complete an inspection of the van before agreeing to the investigator's recommendation and that it had raised concerns about the recommendation regarding the van's mileage. AutoMoney said that the MOT history of the van shows consistent mileage and it asked for the complaint to be escalated to an ombudsman. Mr T said that he welcomed an independent inspection as he can't use the van because it's too difficult to drive due to the gear-change issue that he first reported in May 2025 and the van has since failed an MOT test. He says that he should be fully reimbursed for all costs incurred since the van failed its MOT test".*

## Provisional decision

I set out my provisional findings in that provisional decision. I said:

*"AutoMoney, as the supplier of the van, was responsible for ensuring that it was of satisfactory quality when it was supplied to Mr T. Whether or not it was of satisfactory quality at that time will depend on a number of factors, including the age and mileage of the van and the price that was paid for it. The van that was supplied to Mr T was*

*first registered in October 2016, so was more than eight years old, I understand that its mileage was recorded as 35,269 miles and the price of the van was £9,250. Satisfactory quality also covers durability which means that the components within the van must be durable and last a reasonable amount of time, but exactly how long that time is will depend on a number of factors.*

*Mr T arranged for the van to be inspected by a third party garage in May 2025. The inspection report records the van's mileage as 36,596 miles and says:*

*"Upon inspection and roadtest the following faults have been identified:*

*Clutch pedal sticks down  
Gearbox oil leak  
Drivers side seatbelt frayed  
Drivers side bottom ball joint rubber split & leaking grease  
Nearside front wheel bearing excessive play  
Driver's side window inoperative  
Central locking fault".*

*Mr T complained to AutoMoney about those issues later that month and he also raised concerns regarding the accuracy of the recorded mileage given the van's condition and history. He's also provided a report from the garage in October 2025 which says:*

*"Vehicle mileage check as dash & previous MOT's show very low mileage. Current mileage on dash is 40286 miles which seems correct on previous MOT's. Actual mileage read from ECU's is 232105 which equates to approximately 144223 miles. It is of my opinion that this dash has been altered before every MOT presentation".*

*In response to the investigator's recommendation, AutoMoney said that the supplying dealer had requested that it complete an inspection of the van before agreeing to it and Mr T said in November 2025 that he welcomed an independent inspection. Mr T has made the van available for inspection, but more than three months have passed since then and the van hasn't been inspected. I consider that any further delay to Mr T's complaint isn't justified and that it's fair and reasonable for me to issue this provisional decision without another inspection report being provided.*

*The garage identified faults with the car less than two months after the van had been supplied to Mr T and it looks to me as though the van was driven for 1,327 miles in that time. Mr T says that he can't use the van because it's too difficult to drive due to the gear-change issue that he first reported in May 2025. The van failed an MOT test in October 2025 when its mileage was recorded as 40,714 miles.*

*I consider it to be more likely than not that the faults identified by the garage in May 2025 were present or developing when the van was supplied to Mr T and that they caused the van not to have been of satisfactory quality at that time. I find that it would be fair and reasonable in these circumstances for AutoMoney to allow Mr T to reject the van and that it should take the following actions to put things right.*

*I find that it would be fair and reasonable for AutoMoney to end the hire purchase agreement and arrange for the van to be collected from Mr T, both at no cost to him. The hire purchase agreement shows that Mr T paid a deposit of £1,589 for the van. I*

*find that it would also be fair and reasonable for AutoMoney to refund to Mr T any deposit that he paid for the van.*

*I understand that Mr T was able to use the van to drive 5,445 miles between March 2025, when it was supplied to him, and October 2025, when it failed the MOT test. I consider that Mr T's use and enjoyment of the van during that period will have been adversely impacted by the issues with the van. I agree with the investigator that it would be fair and reasonable for AutoMoney to refund to Mr T 25% of the monthly payments that he's made under the hire purchase agreement for that period to compensate him for his loss of use and enjoyment of the van. I find that it would also be fair and reasonable for it to refund to Mr T all of the monthly payments that he's made under that agreement for the period since the van failed the MOT test in October 2025. I consider that it's fair and reasonable for AutoMoney to keep the remaining balance of the payments that Mr T has made under the hire purchase agreement as payment for the use that he's had from the van.*

*Mr T paid for the van to be inspected in May 2025 and he paid the garage £48 for the mileage report in October 2025. I find that it would be fair and reasonable for AutoMoney to pay £48 to Mr T to reimburse him for the cost of the October 2025 and that it should reimburse him for the cost of the May 2025 inspection, if he provides it with evidence of that cost. I find that it would also be fair and reasonable for AutoMoney to pay interest on all of the amounts to be refunded or reimbursed to Mr T. These events have clearly caused distress and inconvenience for Mr T. I find that it would also be fair and reasonable for AutoMoney to pay him £200 to compensate him for that distress and inconvenience.*

*Mr T has also raised concerns about the accuracy of the van's recorded mileage and the garage says that its actual mileage read from the van's engine control unit is approximately 144,223 miles. The MOT tests for the van between September 2019 and September 2024 show the van's mileage increasing from 14,789 to 29,879 miles, but AutoMoney hasn't provided any evidence to show that the garage's reading of the van's mileage from the engine control unit isn't correct. I consider it to be more likely than not that the van had been driven for more than 35,269 miles when it was supplied to Mr T, but as I consider that he should be able to reject the van because it wasn't of satisfactory quality when it was supplied to him, I don't consider that AutoMoney should be required to take any further action because of the issue with the car's mileage or the other issues about which Mr T has complained".*

Subject to any further comments or evidence that I received from Mr T and AutoMoney, my provisional decision was that I intended to uphold this complaint. AutoMoney hasn't responded to my provisional decision and Mr T says that he doesn't feel that the reimbursements proposed are a fair reflection of the situation. He says, in summary and amongst other things, that:

- he should be placed back into the position that he would have been in had this situation not occurred and all costs incurred by him from the point at which he rejected the van in May 2025 should be returned;
- he's paid £124.88 per month to insure the van and at least the insurance payments made from October 2025 should be reimbursed to him;
- it would be fair for compensation to be provided for the time and income lost on the day that a failed inspection occurred in January 2026;
- he paid a deposit of £1,888 in total, which should be refunded to him;

- the hire purchase agreement should be removed from his finance record so that this situation doesn't negatively impact his credit history; and
- the level of compensation for distress and inconvenience should be reconsidered in light of the prolonged nature of this dispute, the financial pressure caused by continuing costs for a van that he rejected many months ago, and the significant impact this situation has had on his day-to-day life and wellbeing.

### **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.

I've carefully considered Mr T's detailed response to my provisional decision, but I'm not persuaded that I should change my provisional findings. Mr T says that he rejected the van in May 2025, but he continued to use it until it failed the MOT test in October 2025. I understand that Mr T was able to use the van to drive 5,445 miles between March 2025, when it was supplied to him, and October 2025 and I consider that it's fair and reasonable that he should pay for the use that he had from the van. He's described the impact of the issue with the van on his use of it but I consider a refund of 25% of the monthly payments that he's made under the hire purchase agreement for that period, and a refund of all of the monthly payments for the period since the van failed the MOT test, to be fair and reasonable compensation for his loss of use and enjoyment of the van.

Mr T was required to insure the van and he will have had the benefit of the insurance cover. I'm not persuaded that it would be fair or reasonable for me to require AutoMoney to reimburse him for the cost of the insurance. I appreciate that Mr T and his representative will have been caused distress and inconvenience as a result of the failed inspection in January 2026, but I'm not persuaded that it would be fair or reasonable for me to require AutoMoney to compensate them for their time or lost income. I'd carefully considered the distress and inconvenience that Mr T had been caused when I said that AutoMoney should pay him £200 to compensate him for that distress and inconvenience. I'm not persuaded that a higher award of compensation is justified in these circumstances.

Mr T says that he paid a deposit of £1,888 in total for the van. The hire purchase agreement says that he paid a cash deposit of £1,589 and the dealer's invoice shows that a deposit of £1,589 was paid. I've said that AutoMoney should refund to Mr T the deposit that he paid for the van. If Mr T is able to provide evidence to AutoMoney to show that he paid a deposit of £1,888 for the van, then it will be required to refund that amount to him, with interest. In the absence of any such evidence, I consider that it's fair and reasonable for AutoMoney to refund to him the amount of the deposit shown on the hire purchase agreement.

Mr T also says that the hire purchase agreement should be removed from his finance record so that this situation doesn't negatively impact his credit history. Mr T entered into the hire purchase agreement, the van was supplied to him, he's used it and he's made payments to AutoMoney under the hire purchase agreement. AutoMoney is required to report true and accurate information about the hire purchase agreement to the credit reference agencies. I'm not persuaded that it would be fair or reasonable for me to require AutoMoney to remove the hire purchase agreement from Mr T's credit file but, if it has reported any adverse information about that agreement to the credit reference agencies, it should ensure that the adverse information is removed from Mr T's credit file.

## **Putting things right**

I find that it would be fair and reasonable in these circumstances for AutoMoney to take the actions that I've described, and which are set out below, to put things right.

## **My final decision**

My decision is that I uphold Mr T's complaint and order AutoMoney Trust Limited to:

1. End the hire purchase agreement and arrange for the van to be collected from Mr T, both at no cost to him.
2. Refund to Mr T the deposit that he paid for the van.
3. Refund to Mr T 25% of the monthly payments that he's made under the hire purchase agreement for the period from when the van was supplied to him in March 2025 until it failed the MOT test in October 2025.
4. Refund to Mr T the monthly payments that he's made under the hire purchase agreement for the period since the van failed the MOT test in October 2025.
5. Pay £48 to Mr T to reimburse him for the cost of the October 2025 mileage report and reimburse him for the cost of the May 2025 inspection report, if he provides it with evidence of that cost.
6. Pay interest on the amounts at 2 to 5 above at an annual rate of 8% simple from the date of each payment to the date of settlement.
7. Ensure that any adverse information about the hire purchase agreement that it's reported to the credit reference agencies is removed from Mr T's credit file.
8. Pay £200 to Mr T to compensate him for the distress and inconvenience that he's been caused.

HM Revenue & Customs requires AutoMoney to deduct tax from the interest payment referred to above. AutoMoney must give Mr T a certificate showing how much tax it's deducted if he asks it for one.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 13 April 2026.

Jarrold Hastings  
**Ombudsman**