

## The complaint

Miss A has complained about the quality of a car provided on finance by Honda Finance Europe Plc trading as Honda Financial Services (“HFS”).

## What happened

Both parties are familiar with the circumstances of this complaint, so I’ll briefly summarise them here. HFS supplied Miss A with a used car on a hire purchase agreement in February 2025. The cash price of the car was around £13,000 and it had covered around 49,000 miles since first registration in May 2021. The hire purchase agreement required payments of around £270 for 59 months and a final repayment of around £280, and Miss A paid a deposit of £500. The car was sourced from a dealer who I’ll call N.

Miss A said that N initially refused to release the car without a second key. It was delivered to her home two weeks later with an assurance that the key would follow but it never arrived. Miss A said the car was diagnosed with a split exhaust flexi pipe and a worn wheel bearing in July 2025, and she had covered less than 2,500 miles. The repair was not covered by the warranty and was estimated at around £1,800. She complained to HFS in August 2025 that she’d been supplied a car that wasn’t of satisfactory quality.

HFS said that it had asked for further information from the selling dealer. It said the car had been recently serviced, passed an MOT and pre delivery inspection and the noise hadn’t been diagnosed until July 2025. It said that the split flexi pipe was likely caused by expected wear and tear considering the age and mileage of the car. It said that it was willing to support with repairs by making a goodwill contribution of £200 towards the cost of the repairs and together with reduced rates from the selling dealer the repair could be completed at a cost of around £695. It said that concerns about the wheel bearing could also be dealt with under warranty. It went on to say that it hadn’t been involved in conversations about the spare key but had been assured that one had been ordered and it would be provided as soon as it was available.

Miss A referred her complaint to the Financial Ombudsman. She said she’d continued to drive the car but was worried that it was unsafe. She said that it had caused her substantial stress and anxiety and affected her sleep. She reserved the right to get the repairs completed under protest for safety and would provide any invoices and reports.

An investigator here looked at the complaint. He said that the car hadn’t been sufficiently durable and HFS should pay for repairs. He also said that it ought to pay for a replacement key and pay £100 compensation.

Miss A didn’t respond to our investigator’s assessment. HFS disagreed. In summary it said:

- It was sympathetic towards Miss A’s situation but didn’t agree there was a fault which was present when the car was supplied.
- The lifespan of the part quoted by the investigator didn’t take into account the mileage that the car had already covered when it was supplied.
- There were no reported claims that the failure of this part was a known issue.

- The most common cause for failure was due to wear and tear, and the length of the manufacturer's warranty acknowledged this. There was nothing to support that the part had failed prematurely or was part of a larger batch of faulty parts that should be covered by a warranty extension.
- The reported noise had not been confirmed to be connected to the later diagnosed issue.
- It stood by its offer to contribute towards repairs and said it would pay £200 to Miss A on receipt of an invoice for repair.

HFS asked for the complaint to be reviewed by an ombudsman, so it was passed to me. I issued a provisional decision which said:

*When considering what is, in my opinion, fair and reasonable, I take into account relevant law and regulations; regulator's rules, guidance, and standards; codes of practice; and what I believe to have been good industry practice at the relevant time.*

*Firstly, I am very sorry to hear about the difficulties Miss A has described to this service. I need to clarify that I'm only looking into a complaint about HFS, rather than N. In this case HFS is not responsible for anything said or done by N after the car was supplied. So, although she may also be unhappy with N's handling of inspections and warranty claims that won't form part of my decision as I can't look directly at the actions of N.*

*I've read and considered the evidence submitted by both parties, but I'll focus my comments on what I think is relevant. If I don't comment on a specific point, it isn't because I haven't considered it, but because I don't think I need to comment in order to reach what I think is the right outcome. This is not intended as a discourtesy but reflects the quick and informal nature of this service in resolving disputes. Our powers allow me to do this.*

*Where the evidence is incomplete, inconclusive, or contradictory (as some of it is here), I reach my decision on the balance of probabilities – in other words, what I consider is most likely to have happened in light of the available evidence and the wider circumstances. I've noted that Miss A didn't respond to our investigator's assessment, but she had indicated that she would get repairs completed herself. HFS also indicated that N told it the replacement key was on back order with the manufacturer, and it wasn't involved in discussions about this as it was N that made those arrangements. As neither party has provided any significant update for some months, I'm proceeding on the basis that nothing has changed. If that's not right, then information should be provided in response to this provisional decision.*

*The agreement in this case is a regulated consumer credit agreement. As such, this service is able to consider complaints relating to it. HFS is also the supplier of the goods under this type of agreement, and responsible for a complaint about their quality.*

*The Consumer Rights Act 2015 (CRA) is of particular relevance to this complaint. It says that under a contract to supply goods, there is an implied term that "the quality of the goods is satisfactory."*

*The CRA says the quality of goods are satisfactory if they meet the standard that a reasonable person would consider satisfactory taking into account any description of the goods, the price and all the other relevant circumstances. In a case involving a car, the other relevant circumstances might include things like the age and mileage at the time of supply and the car's history.*

*The CRA says the quality of the goods includes their general state and condition and other things like their fitness for purpose, appearance and finish, freedom from minor defects,*

safety, and durability.

*When Miss A acquired the car in February 2025 the mileage was around 49,000 and the cash price was around £13,000. The car was first registered in May 2021, so by this stage it was nearly four years old. It wouldn't be unreasonable to expect the car to be showing some signs of wear and tear, and that might include the underlying components. There would be very different expectations of it than if it was a brand-new car. The price paid usually reflects the age and condition of the car. Acquiring a used car carries some inherent risks, not least of which is that sooner or later items, or components of the car, will need repair or replacement.*

*As a starting point there would need to be some evidence of what the faults were. And secondly, that the faults rendered the car of unsatisfactory quality.*

*Miss A has asserted that there were several faults with the car which were first diagnosed almost immediately due to a noise. But other than her testimony a mechanical diagnosis wasn't made until July 2025.*

*When something goes wrong with a car it isn't automatically something that the finance provider is responsible for. Sometimes the underlying components of a car suffer wear and tear which might mean that they come to the end of their serviceable lifespan during the course of a finance agreement.*

*Although HFS were the supplier of the car under the agreement, it was not aware that Miss A was experiencing any issues until she contacted it in August 2025. Considering the description of the faults and the time that had elapsed since supply I don't think it was unreasonable for HFS to expect more detailed information on whether those faults would have been present or developing when the car was supplied.*

*The issues she experienced could be due to damage sustained during Miss A's possession of the car, or reasonably expected wear and tear, or even a failed repair, which wouldn't be HFS' responsibility. Or it could point to a defect that was present at the point of supply. We haven't been provided with sufficient evidence to determine what happened.*

*I appreciate that our investigator had his own opinion on whether the exhaust flexi pipe was sufficiently durable. But I'm aware that there are many factors that can cause the flexi pipe to split. I've not been provided with any information about the servicing history of the car. But how the car has been driven, potential physical impact and exposure to moisture and road debris can all have an effect on the lifespan of this particular part. It isn't possible for me to conclude that it is more likely that this part failed prematurely. Similarly, I don't have enough evidence about why the wheel bearing has worn, to be able to reach that conclusion.*

*During its investigation I can see that HFS tried to make enquiries of the parties that had been involved. It did take into account information provided by N, but it wasn't able to interrogate this or force it to provide more. HFS isn't responsible for N's actions after the agreement was entered into. I need to explain that our service is also reliant on the evidence put before us, we can't compel witnesses or marshal evidence in the same way a court can.*

*Miss A said that she was promised a second key by N. I'm not currently persuaded that missing a second key would make a second-hand car of unsatisfactory quality, nor have I seen compelling evidence that N misrepresented the features of the car. It seems discussions about this happened after the agreement was entered into. But N accepts that it should provide a second key and said that it has ordered one. As I explained I've not been given anything further about that from either party, but I don't yet find I have reason to direct HFS to do anything if that hasn't yet happened.*

*I'm sorry to disappoint Miss A, but without sufficient evidence of faults which made the car of unsatisfactory quality when it was supplied, or compelling evidence that the car was misrepresented, I find I don't have the grounds to direct HFS to do anything. I understand that HFS has said that it will stand by the offer that it made, so if Miss A decides to accept that she should contact it directly.*

*And as a reminder, Miss A doesn't need to accept my decision, and she'll be free to pursue the complaint by other means, such as through the court, after obtaining legal advice, as necessary.*

HFS agreed with the provisional decision. Miss A disagreed and in summary she said:

- The issues with the car began very soon after she took delivery. She had noticed an abnormal noise and raised concerns. Although the mechanical diagnosis didn't happen until later the symptoms were present much earlier.
- A mechanic has inspected the car and advised that the issue does not appear to be typical wear and tear, and she had been advised the car will need a full exhaust.
- She understood about the age and mileage of the car. However, after purchasing the car on finance, she reasonably expected the car to be durable and free from significant faults so soon after purchase.
- The situation had caused considerable stress and anxiety particularly as she continued to drive the car while being concerned about its safety.
- At the time the car was supplied she was informed that the second key would follow as it had been ordered, however she still had not received it. She had recently contacted another manufacturer approved garage who had informed her the key had not been ordered and it would only take around three days. This caused concern as she had relied on the information provided. As the key had been promised she would still like this to be provided.
- Her main concerns had been with the dealership rather than HFS. She had involved HFS in the hope that they could help facilitate a suitable resolution.
- While she understood that the available evidence may make it difficult to reach a different conclusion regarding the repairs, she wanted to ensure that her experience, the mechanic's opinion, and the updated information regarding the spare key were fully considered before a final decision is made.

As both parties have responded I'll now go on to make my 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.

I'd like to thank both parties for responding to my provisional decision. I can understand that Miss A is disappointed that the car had such problems, and the repair cost isn't insignificant. I'm sympathetic to her position, and I'm sorry to hear about the stress and anxiety this is causing, but I haven't seen any new evidence about the cause of the fault, so I don't intend

to repeat myself here. Instead, I'll try to concisely explain why her comments haven't changed my mind.

Although Miss A asserts that the symptoms she was experiencing were present very soon after supply unfortunately this isn't enough for me to determine that the part has failed prematurely. She's described a noise that she heard but this isn't conclusive, and I can't say that the noise was related to the same problem even if I consider it on the balance of probabilities. She's also said that a mechanic said the issue isn't typical wear and tear, but as I said in the provisional decision the issue can be related to potential physical impact and exposure to moisture and road debris. I still don't have sufficient evidence to say that the car was of unsatisfactory quality when it was supplied.

Miss A has also indicated that she's continued to drive the car despite her concerns about safety. I'd urge her to consider getting a repair done as soon as possible, and HFS have still said it will maintain its goodwill offer to support with the repair. I understand that it negotiated a reduced price from N and agreed to pay £200 towards this. If Miss A wants to accept this, she should contact HFS. If Miss A is experiencing financial difficulties she can also ask HFS for support and I'd remind it to treat her with forbearance and due consideration.

I asked HFS to follow up with N on why the key order was taking so long. I've been informed that the key has now arrived and our investigator has let Miss A know what she needs to do to get it coded to the specifications of the car. So, Miss A can contact N to make arrangements for the key to be recoded, and the costs of this will be covered by N. I'm not including this as a direction for HFS as I'm still not persuaded this would make the car of unsatisfactory quality, or that HFS are responsible for these arrangements. I appreciate that Miss A has said she is mainly unhappy with the actions of N, but I can't look directly at that and HFS aren't responsible for anything it did after she entered into the agreement.

As I don't consider I have been provided with any further information to change my decision, I still consider my findings to be fair and reasonable in the circumstances.

My final decision is the same for the reasons set out in my provisional decision and above.

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss A to accept or reject my decision before 14 April 2026.

Caroline Kirby  
**Ombudsman**