

The complaint

Mr R has complained about the quality of a car provided on finance by Zopa Bank Limited.

What happened

Both parties are familiar with the events, so I'll briefly summarise them here. Zopa supplied Mr R with a used car on a hire purchase agreement in October 2024. The cash price of the car was around £6,500 and it had covered around 116,600 miles since first registration in August 2018. The hire purchase agreement required payments of around £160 for 60 months.

In May 2025 Mr R complained to Zopa that he'd been supplied a car that wasn't of satisfactory quality. He explained that he'd found the brake pads to be worn, there was an oil leak and clogged filters. He said he'd paid for these repairs at a third-party garage in November 2024 after trying to get the dealer to support him and wanted a refund. He also wanted to reject the car stating that the MOT was invalid and the V5 was not provided.

Zopa said that it asked Mr R for further evidence to show that the car wasn't of satisfactory quality when it was supplied. It ultimately didn't uphold the complaint.

Mr R referred his complaint to our service and an investigator here looked at the complaint. He was satisfied that the car wasn't of satisfactory quality when it was supplied and Zopa ought to refund Mr R's costs to repair of around £1,160, refund one month's payment for loss of or impaired use, with both refunds attracting simple annual interest of 8%. He also recommended Zopa pay £100 compensation.

Mr R acknowledged the investigator's assessment but didn't add any further comments. Zopa didn't agree. In summary it said:

- It didn't have sight of any supporting evidence or documentation within the first six months and was not provided with a reasonable opportunity to inspect the car or verify the nature of the reported faults.
- It said it had considered the new material evidence but was unable to rely on this given the significant delay and it wasn't contemporaneous to the relevant time.
- It said that unauthorised repairs had been carried out without consultation which meant they were made in breach of the terms of the agreement.

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

In considering what is fair and reasonable, I need to have regard to the relevant law and regulations, regulators' rules, guidance and standards, codes of practice and (where appropriate) what I consider having been good industry practice at the relevant time.

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 informal nature of this service in resolving disputes.

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.

Firstly, I am very sorry to hear about the difficulties Mr R has described to this service. I need to clarify that I'm only looking into a complaint about Zopa, rather than the other parties that might have been involved here. I also 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.

Our investigator has already set out that this isn't the right forum to investigate claims that the MOT was fraudulent. If Mr R still has those concerns, he can contact the Driver and Vehicle Standards Agency (DVSA). I also understand Mr R received the V5 document in November 2024. So, I won't address those points further in my decision.

The agreement in this case is a regulated consumer credit agreement. As such, this service is able to consider complaints relating to it. Zopa 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 Mr R acquired the car in October 2024 the mileage was around 116,000 and the cash price was around £6,500. The car was first registered in August 2018, so by this stage it was six 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 fault was. And secondly, that the fault renders the car of unsatisfactory quality.

In May 2025 Mr R sent Zopa two invoices from November 2024. He said the mileage at that point was 116,800. The first invoice describes the works as service and front disc and pads. The total cost is £430 and consists of a labour charge. The second invoice describes the works as labour £380 and parts £354. The parts are described as timing belt, antifreeze, fan belt, discs, and pads rear. The total amount invoiced was £1,164 and no VAT was charged. I've not yet seen evidence that Mr R paid this invoice.

I can understand Mr R is disappointed the car had such problems, that weren't cheap or easy to rectify. He'd had the car for around seven months before he told Zopa about the

repairs that he'd paid for. But what I have to bear in mind is that just because I've seen there were repairs that he paid for within the first month, this doesn't necessarily mean the car wasn't of satisfactory quality when it was supplied to Mr R – which is what I need to decide. I'd need to see sufficient evidence the fault made the car of unsatisfactory quality when it was supplied to Mr R.

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 Zopa were the supplier of the car under the agreement, it was not aware that Mr R was experiencing any issues until he contacted it in May 2025. Zopa is not responsible for the actions of the selling dealer in this case. Considering the description of the faults, the time that had elapsed since supply, and the mileage covered while the car was in Mr R's possession, I don't think it was unreasonable for Zopa to expect to see more evidence that there was a fault which made the car of unsatisfactory quality.

The issues he experienced could be due to damage sustained during Mr R's possession of the car, or reasonably expected wear and tear, or even a failed repair, which wouldn't be Zopa's responsibility. Or it could point to a defect that was present at the point of supply. We don't now have any way of establishing what was wrong which meant it needed those repairs.

I appreciate that our investigator had his own opinion. But I've not seen sufficient evidence to clearly say those repairs made the car not of satisfactory quality. I've considered Mr R's testimony and the invoices he supplied to Zopa. But unfortunately, these were inconclusive, as they didn't give an opinion on what caused the issues and some items might relate to expected wear and tear, consumable items, and/or serviceable items. And it's important to note that at the time Zopa considered the complaint it did not have access to the opinion of Mr R's mechanic, which was provided later. I also have to take into account that I don't have any information about the servicing history of the car, as Mr R hasn't been able to provide it. The mileage isn't stated on either of the invoices, Mr R says it was around 116,800, but by April 2025 the mileage was around 123,700, which meant Mr R had been able to cover around 7,700 miles since the car was supplied.

After Mr R referred his complaint to our service, he supplied a document which he said was the opinion of his mechanic. This has been provided to Zopa, but it said it didn't change its position. I don't think this new evidence is sufficient for me to say on balance that the car wasn't of satisfactory quality. There aren't any diagnostic reports to support the mechanic's assertion that repairs were needed to make the car roadworthy. Neither the invoices nor the opinion includes the mileage from the time, or the mechanic's qualifications. I'm not able to view the video of the inspection as the link doesn't work and Mr R hasn't been able to provide a further copy. The mechanic had been paid to carry out repairs, so it isn't totally independent and the opinion wasn't written at the time he saw the car, so it's not contemporaneous. In my view this means it is less persuasive. It's possible that some repairs might have been preferable to improve the performance of the car, but that doesn't mean it wasn't of satisfactory quality when it was supplied considering its age, price, and mileage.

I'm not saying something definitely didn't go wrong, merely that I don't think it was unreasonable for Zopa to have expected there to be more detailed supporting evidence for the faults and confirming that they were present or developing at the point of supply, or that the car wasn't sufficiently durable. It's not possible for me to say now with the evidence I've been provided, even on the balance of probabilities, that there was an inherent fault or that

the car wasn't sufficiently durable.

Mr R explained the repairs he'd had done after one month of having been supplied with the car. So, at that point, it's possible that Mr R could have demonstrated the car wasn't conforming to the contract he'd entered at the point of supply. But Mr R didn't contact Zopa until May 2025 and by then it had lost the opportunity to prove otherwise. Ordinarily, Zopa could have arranged for an independent inspection of the car to take place, or it could have made arrangements with the selling dealer, to help determine when the faults may have arisen and establish liability. I note that communication between Mr R and the selling dealer indicated that it was willing to support, and it seems that a warranty might have been available. I can understand that he might not have wanted to travel the distance back to the selling dealer, for the reasons he explained, but alternatives could have been provided. But by having the car repaired before notifying Zopa of his concerns, Mr R has deprived it of the opportunity to have the car inspected with some of the faults present, and it has also deprived it of the opportunity to get some repairs done at a reduced or no cost under warranty. I also appreciate that Mr R might not have been fully aware of his rights, but that doesn't mean I can direct Zopa to do something when it wasn't aware of the issues he was experiencing.

When making his complaint Mr R told Zopa that he wanted to be contacted by email only. He asked it to avoid phone contact unless agreed. He told it that he required this as a reasonable adjustment due to a disability. He's said he's also unhappy that Zopa continually pressured him to accept a call. I'm sorry to hear that he feels this wasn't taking his disability into account. I've taken the Equality Act 2010 into consideration when deciding this complaint – given that it's relevant law – but I've ultimately decided this complaint based on what's fair and reasonable. If Mr R wants a decision whether Zopa has breached the Equality Act 2010, then he'd need to go to court.

Having looked at Zopa's communication I haven't seen anything to suggest that it applied undue pressure to speak to Mr R on the phone. Zopa expressed a willingness to speak on the phone if that was Mr R's preference, and it offered this as an option. I don't consider it dealt with Mr R any differently to other consumers when offering this as an option, and ultimately it followed Mr R's adjustment request and communicated by email, so I don't consider it dealt with him unfairly.

I acknowledge that Mr R has said that paying for the repairs caused him financial strain. I'm pleased to see that Zopa offered him further support with his payments if he required it. I don't consider providing options to exit the agreement in its final response was unreasonable. If Mr R is in financial difficulties our investigator can signpost him to relevant organisations for support and I'd encourage him to speak to Zopa about his payments. I'd remind Zopa to treat him with forbearance and due consideration.

I appreciate Mr R is unhappy he feels he's lost out. I'm sorry to disappoint Mr R, but I find I don't yet have the grounds to direct Zopa to do anything to resolve this complaint.

Mr R doesn't need to accept my decision, and he'll be free to pursue the complaint by other means, such as through the court, after obtaining legal advice, as necessary.

Zopa accepted the provisional decision. Mr R did not. He provided a copy of the video dated 10 June 2025 and evidence of payment of the invoices. In summary he said:

- The video confirmed the faults were major, hidden and dangerous to drive. These were longstanding not repaired faults that he could not reasonably discover and report earlier. The car was not roadworthy and dangerous with these faults, and this is not even subject to deliberation. There was a massive engine leak and other parts

which should have absolutely not passed the MOT. He was not a car specialist and couldn't know the issues until they were discovered during checks. It was unreasonable for the preliminary decision to contradict this.

- The faults were not routine maintenance or minor wear, the repairs included work to the braking system and a significant oil leak. The oil leak was visible in the video evidence supplied. It was not a minor seepage but a substantial leak indicating a pre-existing mechanical issue.
- Major repairs so soon after supply raised serious concerns as to whether the car met the required standard of satisfactory quality in the CRA. The repairs were completed within one month and the CRA presumes the faults were present at the time of supply if they appear in the first six months, unless the supplier can demonstrate otherwise.
- The decision must be made on the balance of probabilities. It was more probable that defects were already present when the car was supplied.
- The professional observations of the mechanic should be considered alongside the repair invoices and video evidence.
- He had clearly requested communication in writing unless otherwise agreed. The repeated encouragement created additional stress and difficulty when managing the complaint process. The Equality Act 2010 remains relevant, and it was important that the request for reasonable adjustment was respected in order to avoid placing the consumer at a disadvantage.
- The investigator recommended £100 compensation but in similar circumstances an ombudsman has awarded between £400 and £500.

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 Mr R is disappointed that the repairs he paid for were a significant amount. I'd like to assure him that I've read and considered everything that he's provided in response, but I don't intend to repeat myself here. Instead, I'll try to concisely explain why his comments and the video evidence haven't changed my mind.

Mr R has stressed that he couldn't have known about the issues with the car. I don't dispute that, but even if he wasn't aware of his rights that doesn't mean I can direct Zopa to do something. Mr R could have also contacted Zopa before authorising any repairs, in order to check what support was available before going ahead.

I've reconsidered the invoice, the mechanic's later assessment and the video evidence that has now been provided. But I still can't clearly say that those repairs were needed because the car was of unsatisfactory quality, even on the balance of probabilities. The video that I've seen is dated June 2025, which is a significant amount of time after the repairs were made, and it doesn't appear to have any audio commentary. It's not enough for me as a relative non expert to gauge the condition of a car that has already undergone repairs. I simply don't have enough to conclude that those repairs made a six-year-old car that had already covered 116,000 miles of unsatisfactory quality. Even if I could reach that conclusion I'd still have to consider that Mr R didn't let Zopa know until after repairs were completed.

The CRA says that "goods which do not conform to the contract at any time within the period of six months beginning with the day on which the goods were delivered to the consumer

much be taken not to have conformed to it on that day". This means it is assumed that where a fault occurs which makes the car of unsatisfactory quality within the first six months, it is generally up to the business to put things right. That doesn't mean that the finance provider is automatically liable if anything goes wrong with the car. The CRA also sets out that a fault is presumed to have been present at the time of delivery unless the trader proves otherwise or this presumption is incompatible with the nature of the goods or the particular breach or fault. But the difficulty here is that there isn't sufficient evidence that repairs were required to make the car of satisfactory quality. This type of presumption is rebuttable, which means that the supplier (Zopa) should have an opportunity to demonstrate that the goods *were* of satisfactory quality. It can normally do this by pre delivery inspection, MOT and by having the goods inspected once faults are reported. But by having the repairs completed before Zopa were aware Mr R has deprived it of that opportunity. Any inspection that would be completed afterwards would be inconclusive. As such I still don't think I have sufficient evidence to conclude that the car wasn't of satisfactory quality when it was supplied.

Mr R maintained that Zopa's communication wasn't in line with a reasonable adjustments and it was in breach of the Equality Act. I've already explained that if Mr R wants a decision on whether Zopa breached the Equality Act, he'll need to go to court. I'm not making an award as I don't consider it fair or reasonable to award compensation for Zopa's suggestion that it would be available for a call if Mr R preferred. Zopa did ultimately communicate in writing which was in line with Mr R's reasonable adjustment request.

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 Mr R to accept or reject my decision before 15 April 2026.

Caroline Kirby
Ombudsman