

The complaint

Mr B is unhappy that a car supplied to him under a hire purchase agreement with Oodle Financial Services Limited trading as Oodle Car Finance (Oodle) was of an unsatisfactory quality.

What happened

In April 2025 Mr B was supplied with a used car through a hire purchase agreement with Oodle. He paid a deposit of £2,500 and an advance payment of £132.21 and the agreement was for £10,799.41 over 48 months; with 46 monthly payments of £220.15 and two monthly payments of £270.15. At the time of supply, the car was around five years old, and had done 50,862 miles.

Mr B entered into the hire purchase agreement on 26 March 2025. He said the car had faults that delayed collection until April 2025, while the supplying dealer fixed the faults.

He said that in July 2025 the car broke down with a total loss of power, and an oil and coolant spill. He said the recovery service told him it was a total engine failure with a connecting rod going through the engine block. Mr B provided a diagnostic report. This confirmed the fault and said the engine was terminally damaged. It said there had been a loss of oil, with heavy contamination and metal debris visible.

He said the car had been recently serviced, and he'd only had it for less than three months before it broke down. He said the car was only five years old and shouldn't have failed at this point. He said that he thinks the pre-existing faults contributed to the catastrophic failure of the engine.

Oodle said they obtained a report from an independent engineer. They said this concluded that the issues were not present or developing from the point of sale and that they were not linked to the previous repairs actioned by the selling dealer. So they did not uphold his complaint.

Mr B was unhappy with this response, so he referred his complaint to our service for investigation.

Our investigator said there was strong evidence to say the car was not of satisfactory quality when supplied, or there was a durability issue. She said that given the nature of the fault and taken into consideration the delays and inconvenience that had already been caused, she thought it was fair that Mr B be able to reject the car.

Oodle didn't agree with the investigator. They said the failure was due to customer neglect of the car. They said that the car had a full pre-delivery inspection and at this time all fluid levels, including coolant, were checked and confirmed to be within the manufacturer's specified limits. They said that Mr B subsequently drove approximately 4,000 miles before reporting any concern.

They said that during this period, he raised no issues with them or the supplying dealer. They said that given the mileage covered and the absence of any earlier notification, they believed Mr B failed to adequately monitor the vehicle or act promptly when any warning signs may have arisen.

They said the car was inspected by an independent third party and this identified low coolant levels. They said this was consistent with a lack of routine monitoring and maintenance by the customer during their period of use, rather than a pre-existing fault present at the point of sale.

They said a separate independent engineer's report confirmed that, at the time of inspection, the engine contained neither oil nor coolant.

They said that this evidence indicated that the car was supplied in a satisfactory condition and that the issue reported arose as a result of customer neglect during ownership.

Because Oodle didn't agree, this matter has been passed to me to make a final decision.

I wrote to both parties on 14 April 2026, where I explained my intention to uphold the complaint, but I also intended to make an award for distress and inconvenience to Mr B. I said that it was clear to me that Mr B had been inconvenienced by having to arrange for alternative transport, and the impact of not being able to make the monthly payments as he had to purchase another car. Mr B had explained the stress on him had been considerable.

I said my intention was to find that this would not have been the case had Oodle supplied Mr B with a car that was of a satisfactory quality, and I was minded to say that Oodle should pay him £200 in compensation to reflect the distress and inconvenience caused.

Responses

Mr B accepted my offer. Oodle said they had no further comment to add.

As Oodle haven't said anything to the contrary, I'm taking their response to mean they don't object to my award for distress and inconvenience.

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.

Having done so, I've reached the same overall conclusions as the investigator, and for broadly the same reasons. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome. 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.

In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and (if appropriate) what I consider was good industry practice at the time. Mr B was supplied with a car under 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 B entered into. Under this agreement, there is an implied term that the goods supplied will be of satisfactory 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. I think in this case those relevant circumstances include, but are not limited to, the age and mileage of the car and the cash price. The CRA says the quality of the goods includes their general state and condition, as well as other things like their fitness for purpose, safety, and durability.

So, if I thought the car was faulty when Mr B took possession of it, or that the car wasn't sufficiently durable, and this made the car not of a satisfactory quality, it'd be fair and reasonable to ask Oodle to put this right.

In this instance, it's not disputed there was a problem with the car. It had broken down, and required a new engine. The key issue I have to consider is whether or not the fault that led to the failure of the engine was due to Mr B's neglect, or was present or developing at the time the car was supplied to Mr B.

I'm persuaded that it's more likely than not that the fault was present at the time of supply, and not related to any neglect by Mr B. I'll explain why.

At the time of supply, the car was five years old and had covered 50,862 miles. So I don't think a reasonable person would expect it to be in the same condition as a newer, less road worn one. And I'm satisfied they would expect the car to have parts affected by wear and tear.

Both the specialist report obtained by Mr B (report A), and the independent engineer's report arranged by Oodle (report B), confirm the engine failure was catastrophic and needed to be replaced. Both also say the connecting rod had gone through the engine block, and this caused the terminal damage.

Report A says there was oil loss evident. It also said there was low oil pressure, "*potentially triggering or contributing to the failure of the cylinder activation system and critical engine components*". It also found issues with the knock detection system.

It said that "*The presence of these fault codes, especially in combination, suggests that the engine experienced abnormal combustion or lubrication failure prior to the mechanical failure*".

Report B found there was no coolant in the car, and no engine oil registered on the dipstick. It said "*On balance, the primary initiating event is most consistent with coolant loss → overheating → seizure. Subsequent con-rod failure can breach the block, expelling oil ("oil exploded/leaked out"). The absence of oil at inspection is compatible with post-failure loss through the breach and drains; it is not proof of pre-failure oil neglect on its own.*"

It said that the reason for the coolant loss was unknown. It said possible reasons included "*hose/radiator leak, water-pump/thermostat failure, cap fault, or a sudden component rupture*".

It concluded that "*Driver neglect/drive-on (failure to stop when overheating/low coolant occurred) is, on balance, the most probable proximate cause of the catastrophic internal damage.*"

Report B also considered if the failure was related to the EML or subsequent repair. It said there were no fault codes or paperwork that showed the EML was illuminated at the time of

purchase. It said that if there had been repairs, these could not be linked to the failure, as the car had been driven for three months and 3,700 miles since then.

Mr B said that the car was not working when he purchased it. He said the car was repaired by the supplying dealer, and then had a second fault within a week, meaning he didn't get the car until 10 April 2025. He also confirmed that there were no warning lights on before the car broke down.

I've thought carefully about what the independent engineer said in report B. Oodle rely on this when they say the engine failure was due to customer neglect.

The report does say that coolant loss was the reason for the engine seizing, leading to the connecting rod breaching the engine block. But it also says that the reason for the coolant loss was unknown. I understand the coolant loss could've been a result of the connecting rod damaging the engine casing. So the coolant could've escaped due to the resultant hole in the block.

Report B says this is what happened to the oil, so it's feasible this is what also happened to the coolant.

In the absence of a clear finding to the cause of the engine failure, I've thought about the other testimony and evidence.

The service book history shows the car had a "main service" on 21 October 2024. The mileage was recorded as 50,856 – just six miles less than when it was supplied to Mr B. I'd expect a main service to include a full oil change and top up of the coolant and other fluids. The supplying dealer confirmed they did an oil filter service before supplying the car to Mr B.

So Mr B would reasonably have expected to drive the car away in the knowledge that the car had the correct amount of oil and coolant. Especially so when the supplying dealer did a further service just six miles after the main service. Mr B's use of the car wasn't excessive, averaging around 1,000 miles a month, so I wouldn't expect him to be checking the oil and coolant levels in month three. That's unless a warning light had alerted him to this, and Mr B told us there was no such light.

So I'm satisfied there was no neglect by Mr B. I appreciate this is not what the independent engineer said in report B, but for the reasons I've explained, I think the lack of substantive knowledge of the cause of the engine failure, the service history, and Mr B's testimony, persuade me that he didn't "drive on" and that the lack of coolant and oil would likely have been from the connecting rod breach of the engine block.

I'm also persuaded that the fault was present or developing at the point of sale. That's based on Mr B's testimony that there was an engine management light present when he was due to collect the car. He's explained how the delivery of the car was delayed for two weeks while the supplying dealer repaired faults. We don't know what repair or fix was done, but it appeared to have cleared the engine management light.

Mr B's testimony has been consistent so I'm satisfied I can rely on it. I'm persuaded that if a warning light had come on, he would've promptly raised this with the supplying dealer – and not ignored it. Oodle has been unable to obtain details of the initial repair. In the absence of any other evidence, I'll rely on Mr B's testimony that a repair was carried out. So it appears likely to me that this repair has failed, leading in some way to the failure of the engine. I say that because the catastrophic failure of the engine happened so soon after Oodle supplied the car to Mr B.

The CRA is clear that, if the single chance at repair fails, as I suspect was the case here, then the customer has the right of rejection.

I'm also satisfied that the car wasn't sufficiently durable. At the point of failure the car was only five years old and had travelled 54,591 miles. It failed after only three months, and 3,700 miles. I think that a reasonable person would consider that this car failed earlier than would be expected and would conclude the car wasn't of satisfactory quality due to it not being durable.

So I'm satisfied that Mr B should be able to reject the car.

Putting things right

Payment Refund

The car has been off the road and undrivable since 28 July 2025 and Mr B has had to arrange alternative transport as he wasn't supplied with a courtesy car. As such, he was paying for goods he was unable to use. As, for the reasons already stated, I'm satisfied the car was off the road due to it being of an unsatisfactory quality when it was supplied, and as Oodle failed to keep Mr B mobile, I'm satisfied they should refund payments he's made since then.

Repair Costs

Mr B incurred a cost of £80 for having the car inspected. And, given that the car wasn't of a satisfactory quality when supplied, I think it's only fair that Oodle reimburse that cost.

Distress & Inconvenience

Mr B has been inconvenienced by having to arrange for alternative transport, and the impact of not being able to make the monthly payments as he had to purchase another car. He's explained the stress on him has been considerable.

I think this would not have been the case had Oodle supplied Mr B with a car that was of a satisfactory quality. So, I think Oodle should pay him £200 in compensation to reflect the distress and inconvenience caused.

Therefore, Oodle should:

- end the agreement with nothing more to pay;
- collect the car at no cost to Mr B;
- remove any adverse entries relating to this agreement from Mr B's credit file;
- refund the £2,500 deposit Mr B paid (if any part of this deposit is made up of funds paid through a dealer contribution, Oodle is entitled to retain that proportion of the deposit);
- refund the monthly payments made from 28 July 2025 to the date of settlement;
- apply 8% simple yearly interest on all the refunds set out above, calculated from the date Mr B made the payment to the date of the refund[†]; and
- pay Mr B an additional £200 to compensate him for the trouble and inconvenience caused by being supplied with a car that wasn't of a satisfactory quality.

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

My final decision

For the reasons explained, I uphold Mr B's complaint about Oodle Financial Services Limited trading as Oodle Car Finance, and they are to follow my directions above.

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

Gordon Ramsay
Ombudsman