

complaint

Miss G complains that the car she acquired via a hire purchase agreement (HPA) with Advantage Finance Ltd (the business) was not fit for purpose. She says the repairs carried out have not worked.

background

Miss G acquired a used car in March 2014 via a HPA. The car had been driven 54,700 miles. She says that the car kept going into limp mode. She complained to the garage on 20 March 2014 and it carried out diagnostic tests which showed a cylinder head gasket failure. Miss G says that the garage tried to repair the head gasket but this did not work and so it replaced the engine.

In March 2015, Miss G's car broke down and required towing. The report carried out at the time stated the car had overheated and suspected a cylinder head gasket issue.

In October 2015, an independent report was carried out on the car which said that the car had no coolant in the expansion tank suggesting that the issue was with the cylinder head gasket.

Miss G says that the engine number has been ground off the replacement engine causing problems in trying to trace the engine or replace it.

Miss G says the car has remained on her drive since March 2015 and she has had to acquire another car.

The business says that the issue that was present at the point of supply was addressed when the engine was replaced. It says that Miss G was able to drive her car 5,000 miles following the replacement of the engine. It says the independent inspection report indicated that the issues Miss G experienced were unlikely to have been present at the point of supply.

The adjudicator said that the repairs carried out to Miss G's car had failed. She said that the cylinder head gasket should have lasted the life of the car and not failed after Miss G had only driven 5,000 miles. She said that Miss G should be allowed to reject the car.

The business did not agree. It said that the independent report noted the engine appeared to have been fitted correctly and that there was excessive oil and an absence of coolant in the car at the time of inspection which was the likely cause of the failure. It said it appeared that Miss G had not checked her coolant levels and that her poor routine maintenance had likely contributed to the second head gasket failure.

Miss G said that she regularly checked her oil and water levels.

my provisional conclusions

I issued a provisional decision on this case. I concluded in summary:

- it was more likely than not that the first cylinder head gasket failure was the result of a fault present at the point of supply and that repairs were carried out to resolve this;
- the replacement engine's number had been ground off meaning it could not be traced making it impossible to confirm how old or worn it was;
- the replacement engine used to repair the original fault should have been a like for like replacement and without knowing the age or mileage covered by the replacement engine, I could not be certain it was a suitable replacement; and
- components within the engine failed within a relatively short period after it was supplied to Miss G which I found made my concerns about the replacement engine warranted.

Because of this I found it reasonable that Miss G be allowed to reject her car, exit her agreement and be compensated for not having had use of the car since March 2015.

Miss G agreed with my provisional decision. The business said there was no evidence that Miss G had serviced the car regularly. It said if she had not serviced the car then she could have contributed to the engine failure by not topping up the coolant.

my findings

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

Miss G experienced problems shortly after acquiring the car which resulted in the engine being replaced. Replacement and repair can be an acceptable remedy.

However, because the number has been ground off the engine there is no way to establish the engine's age or to determine whether this replacement was like for like. The problems that were then experienced after a relatively short period raise further concerns about the engine.

Because I cannot confirm that the replacement was adequate I find that Miss G should be allowed to reject the car.

I understand the business' comments about maintenance of the car. Miss G has said that she regularly checked the oil and water levels including checking on the day the car failed. I accept that I do not have evidence to support this and I note the comments about the coolant levels.

However, on balance, given the issues Miss G has experienced and because the engine in the car has had the number ground off making it untraceable, I find no reason to change my decision from that set out in my provisional decision.

my final decision

My final decision is that I uphold this complaint. I find that Advantage Finance Ltd should:

- take back the car at no cost to Miss G;
- pay Miss G £200 for loss of enjoyment and the inconvenience the situation has caused her;
- refund the payments she has made from March 2015 to date;
- refund her £200 deposit.

The last two points should be paid with interest at 8% simple per year, from the date of each payment to the settlement date.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss G to accept or reject my decision before 8 April 2016.

Jane Archer
ombudsman