

complaint

Mr B complains that the car he got on hire purchase from Startline Motor Finance Limited was not of satisfactory quality.

background

Mr B got the car at the end of August 2014 when it was over five years old. According to the invoice it had a mileage of 56,121, though an MOT about a month earlier had recorded a mileage of 58,083. In December 2014 Mr B complained to Startline about multiple faults with it. He wanted to return it and end the agreement. Various repairs were done. Mr B contacted Startline again in July 2015 complaining about more problems, and saying he had lost faith in the car.

Our adjudicator said that it seemed the car had first broken down in July 2015 due to an electrical fault. But by then Mr B had driven about 20,000 miles so it was reasonable to assume the fault hadn't been there when the car was sold. Some other problems were items subject to wear and tear and could have developed problems at any time. But in view of the time it had taken to deal with the complaint, Startline was prepared to offer Mr B a gift voucher for £100. The adjudicator said that was more than she could have recommended, and thought that was adequate to settle the complaint.

Mr B disagreed. He said the car had been in the garage twice in October 2014, as well as over Christmas 2014. He had not been able to get full details of all the repairs from the dealer, but he provided other additional evidence about problems with the car.

my provisional findings

After considering all the evidence I issued a provisional decision to both parties on 1 February 2016. I summarise my findings

The key issue was whether the car was of satisfactory quality when supplied. It was unfortunate that the dealer had not been able to supply records of all the problems reported and all the repair work. However I had also seen records of comments Mr B made at the time online, and also notes from his contacts with Startline. There certainly were problems as early as October 2014. But the evidence suggested that those were with tyres (which are subject to wear and tear) and with the battery, which caused starting problems until it was replaced in November 2014. But car batteries do fail over time with use, the problem seemed to have been fixed at no cost to Mr B and he seemed he had courtesy cars for two periods in October when the car was at the dealer's. I could not see that those issues provided evidence that the car was not of satisfactory quality when sold or that it would be appropriate for me to say that Startline should allow him to reject it.

However in December 2014, when Mr B had had the car about three months, he contacted Startline again about more problems. Because of the discrepancy over the initial mileage, it was not entirely clear how far Mr B had driven: but the MOT figure was probably more reliable suggesting he had driven about 6,500 miles. He said that the car was back at the dealer's for the third time with a problem with the ABS system. It cut out if he went through any water. The car had spent time at the dealer's waiting for an electrician to be available and he had been left without a car (which he needed for work). He said that the dealer was now blaming him for the fault as he had driven through a puddle (though it was probably only about one to two inches deep). Following Startline's involvement, the ABS unit was

eventually replaced on 14 January 2015: by which time Mr B had not had use of a car since 23 December. On balance, particularly if the problem was due to water ingress, I think that it probably was inherent when the car was supplied to Mr B. Although again it was repaired at no cost to him, he was put to considerable inconvenience being left without a car for about three weeks.

I then had no clear evidence of problems for about three months, when some work was done to deal with a steering issue. But in July 2015 Mr B had more problems and the car failed an MOT due to various issues including the fog lights (which Mr B says had been a problem when he first got the car but had been fixed a few weeks later) and a wheel bearing. That month the coil had to be replaced, and work was needed to the brakes. Later that month the car had to be recovered by the AA. Lights and washers and not been working and fuses kept blowing. Mr B complained to Startline again: he said he had had to buy another car as the problems with this one had caused employment difficulties for him. The UEC (containing fuses) was eventually replaced, but the car remained in the garage for a period because of a dispute about payment. But by July 2015 Mr B had driven nearly 20,000 miles since getting the car, nearly a year earlier. In all the circumstances I did not think I could reasonably conclude that those problems (or later ones) were due to inherent faults in the car, rather than wear and tear.

So, on balance, I thought that only the ABS issue was indicative of an inherent defect at supply. When that had already been repaired at no cost to Mr B I did not think it would be fair or reasonable for me to recommend that he was allowed to reject the car or cancel the agreement because of that. However, I thought he should have compensation for the period at the end of 2014 and beginning of 2015 when he was without the car and for the inconvenience involved.

So subject to any further comments or evidence I received from Mr B or Startline, my provisional decision was to uphold the complaint to the extent described above. I intended to order Startline Motor Finance Limited:

- refund to Mr B one month's payment under the agreement; and
- pay him an additional £200 in compensation.

Startline accepted my provisional decision.

Mr B responded with various additional evidence:

- he said that he now had further problems with the car, involving the steering wheel and brake discs and pads;
- he provided information from his employer about time he had off from work. The first date was in March 2015, and the only reference to car problems was in July 2015, though Mr B said the car had also been broken on another date in July when he went to a funeral;
- he explained that he needed a car with business insurance, because of his job;
- he provided proof that he had insurance on other cars he says he used when his was broken. One policy began in May 2015 and the other in July 2015.

my findings

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

In my provisional decision I explained why I thought the only problem with the car due to an inherent problem when Mr B got it was the ABS problem in December 2014. The extra evidence Mr B has now supplied all seems to cover the later period of problems in the spring/summer of 2015, or more recently. But by July 2015 Mr B had had the car nearly a year and driven about 20,000 miles. In that situation, it is likely that faults arising around then (or later) occurred through wear and tear since Mr B had the car. Mr B has not provided any additional evidence to change my view on that.

It is unfortunate that Mr B has had quite so many problems, but some cars will have more problems than others and some issues (such the recent need to replacement brake pads and/or discs) will inevitably occur through wear and tear when a car covers the sort of mileage Mr B's car does. Startline is not responsible for wear and tear issues of that sort. So, in all the circumstances, I still think that the only problem I could hold Startline responsible for is the issue with the ABS in December 2014 to January 2015.

The additional evidence Mr B supplied about time off work and extra insurance because of car problems did not cover that period. I cannot expect Startline to pay him compensation for those issues, when I do not think I can hold Startline responsible for the car's problems at that point. So my view about appropriate compensation has not changed. I still think that he should be refunded one month's payment under the agreement plus £200.

my final decision

My decision is that I uphold the complaint to the extent described above. In full and final settlement, I order Startline Motor Finance Limited:

- refund to Mr B one month's payment under the agreement; and
- pay him an additional £200 in compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 11 April 2016.

Hilary Bainbridge
ombudsman