

The complaint

Miss B complains about the quality of a car she acquired through a hire purchase agreement financed by First Response Finance Limited (FRF).

What happened

In July 2022 Miss B acquired a used car through a hire purchase agreement. Miss B said she was unable to collect the car right away as the dealership completed some repairs following a failed MOT. When she did collect the car, Miss B said the steering stopped working. The car was returned to the dealership, and Miss B said the alternator and battery were replaced. Miss B was given a courtesy car during these repairs.

In January 2023 Miss B contacted FRF to say she was having problems with the exhaust. FRF asked Miss B to have the car inspected and provide them with a report. Miss B told FRF that a third-party garage said the car needed a new exhaust box and steering rack. FRF asked Miss B to send them the report so they could assess whether the car was of satisfactory quality.

It's unclear if repairs were completed at this time, but no report was provided to FRF.

Miss B contacted FRF again in April 2023 to say she was still experiencing issues with the car. FRF asked Miss B for a report. Miss B took the car to a third-party garage, and FRF discussed the report with them in May 2023. The third-party garage said that the issues now were not related to the repairs in 2022. They said the steering rack was leaking, the turbo intercooler was leaking, the engine and camshaft carrier were leaking oil, there was an engine misfire due to faulty injectors and the timing belt and water pump needed replacing.

FRF sent an engineer to inspect the car in May 2023. That engineer said the car was burning large volumes of oil via the turbocharger, usually caused by wear of the seals allowing oil to bypass them, and there was oil seepage from the steering rack and suspension. The engineer concluded that the required repairs were as a result of age-related wear, rather than mechanical failure. The engineer commented that the current faults would be highlighted on an MOT, and so he was satisfied they weren't present in their current state when the car was supplied as it had passed its MOT then.

FRF sent Miss B their final response to her complaint in May 2023. They said the faults were due to age related maintenance and so the vehicle was of satisfactory quality when it was supplied to Miss B. They didn't uphold her complaint.

Unhappy with this response Miss B brought her complaint to this service for investigation. She said she'd had problems with the car from the beginning of the agreement, and it now needed repairs estimated at over £2,500. Miss B said she wanted to hand the car back.

Our investigator gave his view that he was persuaded by the engineer report that the faults were due to age related wear, and so the car was of satisfactory quality when it was supplied to Miss B. He didn't ask FRF to do anything more.

Miss B didn't agree. She said she was paying for a car that was broken and she still can't use.

As an agreement can't be reached, the case has been passed to me for a 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.

In considering what's fair and reasonable, I need to have regard to the relevant law and regulations. The agreement in this case is a regulated hire purchase agreement – so we can consider a complaint relating to it. FRF as the supplier of the goods under this type of agreement is responsible for a complaint about their quality.

The Consumer Rights Act 2015 is relevant 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"

To be considered "satisfactory" the goods would need to meet the standard that a reasonable person would consider satisfactory – taking into account any description of the goods, the price and other relevant factors. Those factors, in the case of a car purchase, will include things like the age and mileage of the car at the time of sale, and the car's history.

The quality of the goods includes their general condition and other things like their fitness for purpose, appearance and finish, safety and durability.

Here, the car was acquired used with a cash price of around £5,000. It was 11 years old and had travelled approximately 125,000 miles at the time of supply.

When a person acquires a used car like Miss B it's reasonable to say that the expectation of quality is lower than that of a new or younger/lower mileage second-hand car. The price for the vehicle is lower, and this is reflective of the fact that the car is more road worn. The chance of encountering a serious issue sooner, is higher.

Miss B experienced some problems with the car as soon as she took it from the dealership. There appears to have been some repairs completed at this time in the replacement of the alternator and battery, although the dealership is no longer trading, so I've seen no evidence of what was done. But Miss B was able to drive the car for around 5,000 miles and until around January 2023 when she reported further problems to FRF.

I've seen evidence of the faults on Miss B's car in the form of the estimate for repairs from the third-party garage and the engineers report, and I'm satisfied that there are faults with Miss B's car that have prevented her from driving it. What I must consider is whether those faults made the car of unsatisfactory quality at the time that it was supplied to Miss B.

The engineers report notes that Miss B's car passed an MOT shortly before she acquired it, and that the current faults would have at least been an advisory on an MOT. So, I'm satisfied that the current faults were not apparent in their current form when the car was supplied to Miss B.

I've also thought about whether Miss B's car was reasonably durable. That is, whether the parts have lasted as long as a reasonable person would expect them to. At the time of the engineer's inspection, Miss B had driven the car around 5,000 miles. So, it had travelled around 130,000 miles in total. The engineer has noted that the replacement of a turbo charger would not be unusual on a car that has travelled around 130,000 miles. The

engineer has also noted that the other faults with Miss B's car are age related wear to the vehicle, and I find that conclusion persuasive. The oil leaks appear to be the result of failed seals and parts that wear over time.

I think, that at 11 years old and having covered 125,000 miles, Miss B's car was around the age when a reasonable person might expect that some relatively serious repairs may be needed. As a result, I find there was no durability issue with the car when it was supplied. Whilst what has happened is unfortunate, it is the risk of owning an older and higher mileage second-hand car like this one. I appreciate that having a car that has a number of faults and that needs to be repaired in order to keep Miss B mobile is stressful, and may be an expensive, experience for Miss B. That doesn't mean that FRF are responsible for the cost of repairs.

All things considered; I find that the car was of satisfactory quality at the time it was supplied to Miss B.

My final decision

For the reasons set out above, 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 B to accept or reject my decision before 13 October 2023.

Zoe Merriman
Ombudsman