

The complaint

Mr H has complained about the quality of a car he acquired under a hire purchase agreement with Blue Motor Finance Ltd (BMF).

What happened

In October 2022 Mr H acquired a used car under a hire purchase agreement with BMF. The car cost around £14,000 and Mr H paid a deposit of £3,300. The agreement was to be paid back over 45 months with repayments of around £300.

Mr H said the supplying dealer didn't allow him to have a full comprehensive test drive before he acquired the car. After taking possession he said he noticed there were a few issues with it including steering wheel vibration under braking. He says he took it back to the supplying dealer and had to pay £60 towards the cost of replacing the brakes.

Mr H said he was involved in a car accident which forced him off the road into a wall and that this was down to an inner tyre blowout. He says this wrote off the car. Mr H says he took some advice, and he thinks BMF should be liable. He says the supplying dealer should have checked the tyres when it went in for repair. He's unhappy he's left owing money after the insurance claim didn't cover the whole outstanding balance on his hire purchase agreement.

To resolve the complaint Mr H requested payment of what he says is owed and compensation for the distress and inconvenience.

BMF responded to Mr H's complaint but didn't uphold it. It said it had no evidence the car wasn't roadworthy at the point of supply or that the MOT completed before it was supplied wasn't valid. It said a tyre can blow for a number of reasons and that it couldn't assist him further.

Mr H asked the Financial Ombudsman to investigate his complaint. One of our investigators looked into things but didn't uphold the complaint. He said there was insufficient evidence the tyres weren't roadworthy or that the brakes were faulty as opposed to having needed replacing due to wear and tear. So he didn't think there was enough evidence the car was of unsatisfactory quality. But he said if Mr H had any evidence that showed faults with the tyres or brakes Mr H should supply it.

Mr H didn't agree. He said the brakes were changed at his cost and that the dealer didn't mention the tyres needed changing. He said he only had the car for 6 weeks and the number of miles he did in that time would not have caused the issues. He says he reported the issues under a free warranty that was supplied, and he says the MOT should not have passed. He also said he took the car in for a recall in relation to a diesel particulate filter and that he was told there were issues that should have been highlighted.

As things couldn't be resolved, the complaint has been passed to me for decision. Mr H wanted to highlight he thought the car wasn't sold in the excellent condition it was advertised as.

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 want to acknowledge I've summarised the events of the complaint. I don't intend any discourtesy by this – it just reflects the informal nature of our service. I'm required to decide matters quickly and with minimum formality. But I want to assure Mr H and BMF that I've reviewed everything on file. And if I don't comment on something, it's not because I haven't considered it. It's because I've concentrated on what I think are the key issues. Our powers allow me to do this.

Mr H acquired the car under a hire purchase agreement. Our service is able to consider complaints relating to these sorts of regulated consumer credit agreements.

I'm very sorry to hear Mr H was in an accident that wrote off the car. He's asked us to direct BMF to reimburse him money he says he's lost out on, along with compensation.

The Consumer Rights Act 2015 (CRA) covers agreements like the one Mr H entered into. The CRA implies terms into the agreement that the quality of goods is satisfactory. BMF is the "trader" for the purposes of the CRA and is therefore responsible for dealing with a complaint about their quality.

The CRA says that the quality of the goods is satisfactory if they meet the standard a reasonable person would consider satisfactory – taking into account the description of the goods, the price or other consideration for the goods (if relevant) and all other relevant circumstances. For this case, I think the other relevant circumstances include the age and mileage of the car at the point of supply.

The car was used, so I'd have different expectations of it than if it was new. But Mr H is indicating the car wasn't sold in excellent condition as was advertised. And he's also suggested the accident was as a result of defective tyres that either should not have been on the car when it was supplied or should have been highlighted as defective when work was done to replace brakes.

The problem I have, like our investigator pointed out, is that I simply don't have sufficient evidence the tyres weren't roadworthy when the car was supplied. And I've not seen enough evidence relating to the replacement of the brakes either. While I appreciate Mr H didn't have the car very long until brakes were replaced and he had an accident, I don't have the grounds to say that this was as a result of the car not being of satisfactory quality.

Mr H supplied a photo of the blown tyre when referring his complaint to our service. But I can't reach conclusions based solely on a photo of a blown tyre that Mr H supplied. Our investigator asked if Mr H had any supporting evidence he'd like to submit in relation to the brakes and the tyres, but he's not supplied anything further. So, as I said above, I've not seen enough to say the issues Mr H experienced were down to the car not being of satisfactory quality. Moreover, while I understand Mr H is unhappy the supplying dealer didn't highlight issues with the tyres when it replaced the brakes, I wouldn't generally be able to hold BMF responsible for the actions of the supplying dealer after Mr H entered into the agreement if BMF had no involvement.

Therefore, while I'm sympathetic to the situation, there's not enough evidence to demonstrate the car wasn't of satisfactory quality, and that the accident was as a result of it being sold in an unsafe or unroadworthy condition. So I'm not going to direct BMF to take any action.

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 H to accept or reject my decision before 6 November 2023.

Simon Wingfield
Ombudsman