

The complaint

Mr K has complained that a car he bought, using his Lloyds Bank PLC credit card to pay the deposit, isn't of satisfactory quality.

What happened

In April 2022, Mr K bought a used car for £11,000. He used his Lloyds credit card to pay the deposit. He's explained that he noticed a fault on his way home from collecting the car, so took it to a local engineer, which provided him with a report setting out faults, including a loss of coolant.

Mr K contacted Lloyds, to raise a claim under section 75 of the Consumer Credit Act 1974. Lloyds responded, asking for a more detailed report. In October 2022, DEKRA inspected the car. He was unhappy with the inspection, so they came again and provided a further report. This concluded that there were no faults present, or developing, at the point of sale. Mr K then took his car to another garage, but it couldn't locate a fault.

Lloyds said that it had reviewed the claim a number of times, but was still declining it. Mr K then brought his complaint to our service.

One of our investigators looked into what had happened. She could see that the car was advertised as being five years old, with 126,000 miles on the clock, and had passed an MOT in March 2022, with no advisories. So, it would be expected that parts of the vehicle might have already suffered notable wear and tear. And there's a greater risk this vehicle might need repair and/or maintenance sooner than a vehicle which wasn't as road-worn when it was supplied. She said that, for the car to not have been of satisfactory quality when it was supplied, it would have to be because of an issue that went beyond wear and tear.

Mr K has explained that the car is losing coolant on long trips, and overheating. He provided a report, but this was in no way conclusive, as no faults were actually found. There was then a further report, which, after a 70 mile test drive, didn't find a coolant leak, the oil level was correct, there was no overheating, and no visible leaks.

Accordingly, she couldn't agree there was a fault with the car. So, our investigator didn't think it fair to ask Lloyds to do more in this regard.

However, she agreed that Lloyds had not handled Mr K's claim entirely well, as it gave him cause to believe his claim may be upheld. It had paid him £100 in recognition of this, and our investigator thought this was fair.

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 agree with our investigator. I know that Mr K feels very strongly about this, and it will come as a disappointment. But, there is no evidence of a fault, despite numerous

attempts to locate one. On this basis, I can't find a fault, so I can't make an award for one. I know this will be upsetting, but I have carefully assessed and considered everything I've been provided with.

I can see though, that the way Mr K's claim was handled wasn't what he should have expected. Lloyds recognised this, before our service became involved, and gave Mr K £100 compensation. I agree this was fair. So, I don't require Lloyds to do anything more.

My final decision

It's my final decision that the £100 already paid by Lloyds Bank PLC is fair. If this hasn't been paid, it must be now.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 3 January 2024.

Elspeth Wood
Ombudsman