

The complaint

Ms R complains about the quality of a car she purchased under a hire purchase agreement ("agreement") with Unity Auto Finance Ltd ("Unity") and about Unity's management and administration of that agreement.

What happened

On 15 November 2022 Ms R entered into an agreement with Unity for a used car costing £10,999. Under the terms of the agreement, everything else being equal, Ms R undertook to make 59 monthly payments of £327 followed by 1 monthly payment of £337 making a total repayable of £19,630 at an APR of 28.9%.

On 30 May 2023 Ms R complained to Unity that there was a fault with the car's 'start/stop button' and the brake discs had worn and were rusty.

Unity advised Ms R that because of the absence of an independent inspection report confirming the 'start/stop button' fault was present or developing at the point of sale, and given brake discs are serviceable items, it wasn't upholding her complaint.

For reasons not material to this complaint Unity agreed with Ms R that it would terminate the agreement on 20 July 2023 and collect the car (for sale at auction) on 24 July 2023, which it did.

On 4 August 2023 Unity wrote to Ms R to say that following the sale of the car at auction she owed it £4,143.22 broken down as follows:

• opening balance	£19,630.00
• payments made (6 x £327.00)	(£1,962.00)
• option to purchase fee	(£10.00)
• rebate of interest	(£6,773.58)
• sale proceeds	(£6,741.20)
• closing balance	£4,143.22

On 16 August 2023 Ms R agreed with Unity that she would pay it £20 a month.

Ms R's complaint was considered by one of our investigators who came to the view that Unity had done nothing wrong.

Ms R didn't agree and so her complaint has been passed to me for review and 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.

Having done so I can confirm that I've come to the same outcome as the investigator and for the same reasons. There is also very little I can usefully add to what has already been said.

I'm very aware that I've summarised this complaint in far less detail than it may merit. No discourtesy is intended by this. Instead, I've focussed on what I think are the key issues here. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts. If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome. I will, however, refer to those crucial aspects which impact my decision.

Secondly, I would add that where the information I've got is incomplete, unclear or contradictory (as some of it is here), I've to base my decision on the balance of probabilities.

As the agreement entered into by Ms R is a regulated one this service is able to consider complaints relating to it. Unity is also the supplier of the goods under this type of agreement and so are responsible for a complaint about their quality.

The Consumer Rights Act 2015 ("CRA") says, amongst other things, that the car should've been of a satisfactory quality when supplied. And if it wasn't, as the supplier of goods, Unity are responsible. What's satisfactory is determined by things such as what a reasonable person would consider satisfactory given the price, description, and other relevant circumstances. In a case like this, this would include things like the age and mileage at the time of sale, and the vehicle's history and its durability.

The CRA also implies that goods must conform to contract within the first six months. So, where a fault is identified within the first six months, it's assumed the fault was present or developing when the car was supplied, unless Unity can show otherwise. But, where a fault is identified after the first six months, the CRA implies that it's for Ms R to show it was present or developing when the car was supplied.

So, if I thought the car was faulty when Ms R took possession of it, or that the car wasn't sufficiently durable, and this made the car not of a satisfactory quality, it'd be fair and reasonable to ask Unity to put this right.

Ms R says that although she didn't contact Unity about the car's quality until just over six months had passed, she had tried to contact the original supplying dealership about the car's quality within the first six months.

Although I don't dispute that Ms R may have tried to contact the original supplying dealership within the first six months, other than Ms R's testimony there is no evidence to support why such contact was made or attempted, for example a follow up letter or email from Ms R. So with this in mind I don't think it was unreasonable for Unity to advise Ms R that she would need an independent inspection report confirming any current faults were present or developing at the point of sale before it would agree to repair, or the rejection of, the car.

When Ms R purchased the car it was already six and a half years old and had travelled over 78,000 miles. And when the car was sold by Unity seven weeks after Ms R first complained to it she had added in the region of a further 15,000 miles to the odometer (in eight months). So with this in mind and taking everything that has been said and provided by the parties (including the picture of the car's dashboard displaying the message "*starter/ignition fault, engine cannot be started, please call...*") I'm satisfied that I can't reasonably conclude, on the balance of probabilities, that the car was of unsatisfactory quality when Ms R purchased it. And because of this, I can't reasonably conclude that this aspect of Ms R's complaint should be upheld.

I can see that Ms R has provided pictures of a number of other dashboard messages. But I'm satisfied that all these messages relate to serviceable items that need attending to and items needing attention that wouldn't make the car of unsatisfactory quality at the time of sale.

I will now turn to Ms R's complaint about the management and administration of the agreement, especially after she had complained to Unity about the car's quality. But I can't see that Unity has done anything wrong in this respect and I'm satisfied that its entitled to seek the recovery the sum of £4,143.22 (less payments made since 4 August 2023) from Ms R and what it has recorded with one or more credit reference agencies isn't incorrect. And because of this, I can't reasonably conclude this aspect of Ms R's complaint should be upheld.

My final decision

My final decision is I don't uphold this complaint. However, I would remind Unity Auto Finance Ltd of its obligations to treat Ms R, if she is in financial difficulties, fairly and with due consideration and forbearance going forward.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms R to accept or reject my decision before 15 November 2023.

Peter Cook
Ombudsman