

The complaint

Mr M complains that the car he acquired through Oodle Financial Services Limited wasn't of satisfactory quality and he wants the car repairing or his financial agreement cancelling.

What happened

Mr M acquired a used car in April 2022 with a hire purchase agreement. He paid a deposit of £6,000, and the balance of £28,995 was to be paid through the credit agreement which was set up over a 60-month term. At the time of acquisition, the car had already been driven more than 40,000 miles and was around 5 years old.

Mr M says the car that he was supplied with wasn't of satisfactory quality – he noticed a drop in power several weeks after he acquired it, so he took it to a local garage where a number of other issues were identified. Mr M says he paid for these repairs and drove the car away, but the following day the car went into *limp mode*, and his garage told him the car would require significant further repairs. Mr M told us:

- Oodle say the car's faults are his responsibility and it won't cancel the finance agreement or pay for the repairs;
- Oodle offered to pay for only one week's car hire, but he's paid every monthly payment yet had no use of his car since the problems arose – the car has been in a garage, unable to be driven since April/May 2022;
- his local garage advised him that the issues with the car stem from an oil leak and that this was a pre-existing issue when he acquired the car;
- in January 2023, he took the car back to his local garage because of an issue with the electrics; the windscreen is leaking, and this has caused issues with the media system, heated seats and carpets;
- he has no plans to raise the matters of the electrics and the windscreen in a separate complaint to Oodle, and he's separately arranged and paid for repairs with a discount agreed with the manufacturer.

Oodle rejected this complaint. It said Mr M contacted it in August 2022 and advised it of the issues he'd experienced with the car. It arranged an independent inspection of the car in September 2022 to determine whether the faults highlighted by Mr M were present or developing at the point of supply – April 2022. And it said the independent expert concluded that the engine damage was a result of the car having been driven with insufficient oil in the sump, something which is the driver's responsibility. Moreover, it found no evidence of the '*catastrophic oil leak*' claimed by Mr M.

Oodle did offer to pay Mr M's car hire costs, as a gesture of goodwill, and although there was a delay in it doing so, it subsequently confirmed to this Service that a payment of £220 had been raised and would be paid to Mr M.

Our investigator looked at this complaint and said he didn't think it should be upheld. He explained that this Service wouldn't be looking at matters relating to the windscreen or the electrics as Mr M had decided not to complain to Oodle about these things.

He went on to explain that just because something had gone wrong with the car, it doesn't mean that it was of unsatisfactory quality when it was supplied. And taking into account the report following the independent inspection, he'd seen no evidence that the car wasn't of satisfactory quality at the point of supply. He said the report was clear – the car had been driven with an insufficient level of oil, and the inspection had found no evidence of an oil leak.

He went on to explain that the manufacturer recommends the oil levels on this type of car should be checked weekly and he quoted from it, the relatively high levels of oil that this type of car burns off. He concluded that as a consumable product, the oil, and maintaining the appropriate level of it, was Mr M's responsibility, and not something he could hold Oodle responsible for.

Mr M disagreed so the complaint comes to me to decide. He says the root cause of the engine failure was a catastrophic oil leak that should not have developed in a car of this age and mileage. And he questioned the impartiality of the independent inspection.

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.

As the hire purchase agreement entered into by Mr M is a regulated consumer credit agreement this service is able to consider complaints relating to it. Oodle is also the supplier of the goods under this type of agreement, and it is responsible for a complaint about their quality.

When considering what's fair and reasonable, I take into account relevant law and regulations. The Consumer Rights Act 2015 ("CRA") is relevant to this complaint. This says under a contract to supply goods, the supplier – Oodle in this case – had a responsibility to make sure the goods were of 'satisfactory quality'. So, what I need to consider in this case is whether the car supplied to Mr M was of satisfactory quality or not.

Satisfactory quality is what a reasonable person would expect – taking into account any relevant factors. The relevant law also says that the quality of the goods includes their general state and condition, and other things like their fitness for purpose, appearance and finish, freedom from minor defects, safety, and durability can be aspects of the quality of the goods. In this case, I would consider relevant factors to include, amongst others, the car's age, price, description and mileage.

This hasn't been an easy complaint to decide, but having considered things most carefully, I don't think this complaint should be upheld. I say this because based on what I've seen and read, there simply isn't enough evidence to say that the car supplied to Mr M was of unsatisfactory quality. I'll explain why.

Both parties agree that the level of oil in the sump is the determining factor; low levels of oil caused the engine failure. But the parties disagree about why the level of oil was lower than it should've been, and who is responsible for the cost of repair that result from this. Where there's disagreement between the parties about something like this, my role is to determine what I think is *more likely* to have happened, taking into account the evidence and testimony from both sides.

I think it's safe to conclude that there's likely only three possible reasons why the car's oil level might have been lower than expected. So, I've examined each.

- The car was supplied to Mr M with very little or no oil.

Under this scenario, any oil would've burned off within a few days and the damage to the engine would've followed quickly. Neither party claims that this is what happened, but I've considered it, nonetheless.

Having done so, I don't think this is likely to be the cause of the damage. I say this because Mr M told us he was able to drive the car for about a month before he noticed a drop in power and took it into his local garage. I don't think this would've been possible if there'd been no oil or very little oil in the sump at the point of supply. And the notes from the garage's inspection don't suggest that this is what happened or what it noted when Mr M took his car in.

- The car experienced a catastrophic oil leak.

This is Mr M's claim; a catastrophic oil leak resulted in the loss of power that he experienced. He says the car then went into limp mode shortly after his garage had inspected it and returned it to him.

But the third party that inspected the car was specifically asked about an oil leak. Its findings were clear and quite specific. Its inspector said, *"I examined the engine bay for signs of oil seepage but couldn't find any. The underside of the vehicle didn't show any signs of an oil leak either"*.

So, in the absence of any detailed evidence of an oil leak, and evidence to the contrary from the specialist independent expert who examined the car, I'm not persuaded that an oil leak was responsible for the engine damage.

- The level of oil wasn't maintained at a satisfactory level.

This is the finding of the independent inspection, and, in the absence of anything else, I'm persuaded that this is the cause of the engine damage. I say this because:

The inspection report says that at the point of inspection, the oil level was low, and no evidence of an oil leak was present – either in the engine bay or on the underside of the car. The inspection report went on to say, *"the most likely cause of the engine damage is due to the car having been driven with insufficient oil in the sump. As it is the driver's responsibility to check the engine levels on a regular basis it appears that the engine damage is due to driver error"*. The report says that the insufficient level of oil would lead to *cavitation* which, in turn, would reduce the thickness of the film of oil coating the bearings and components.

In conclusion, the report said, *"at the time of inspection the most likely cause of the engine damage is due to the vehicle having been driven with insufficient oil in the sump. As it is the driver's responsibility to check the engine levels on a regular basis it appears that the engine damage is due to driver error"*.

The independent inspector did say that stripping and removing the engine in order to conduct a more detailed examination would be possible, but that Mr M would be responsible for the costs associated with this.

So, based on the evidence available at the moment, I'm not able to conclude that the car was of unsatisfactory quality when it was supplied to Mr M by Oodle. This is because there's simply no evidence that there was a fault with oil or the engine that was present or developing at the point of sale.

Finally, Mr M questions the impartiality of the third-party inspector. He says it was employed by Oodle and consequently is not impartial. But I have to tell him I disagree. The third party is independent; it's recognised in the industry as one of the experts in these types of assessments or inspections. It's true that it was *instructed* by Oodle, but it wasn't *employed* it.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 26 December 2023.

Andrew Macnamara
Ombudsman