

## **The complaint**

Mrs J complains that Blue Motor Finance Ltd, who I'll call BMFL, didn't provide sufficient redress when she returned a car to them that was of unsatisfactory quality.

## **What happened**

The details of this complaint are well known to both parties, so I won't repeat them again here. Instead, I'll focus on giving my reasons for my 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.

I know it will disappoint Mrs J, but I agree with the investigator's opinion. I'll explain why.

Where the information I've got is incomplete, unclear, or contradictory, as some of it is here I have to base my decision on the balance of probabilities.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

Mrs J acquired her car under a hire purchase agreement. This is a regulated consumer credit agreement and as a result our service is able to look into complaints about it.

In December 2022 BMFL agreed that the car they had supplied had not been of satisfactory quality. They agreed to allow Mrs J to reject the car and end the finance agreement. Their system notes show that they agreed to pay Mrs J £250 in compensation, and to refund the finance instalments she'd paid less £1,459.50 that they would retain in respect of fair usage. The fair usage was calculated on the basis of 25p for each of the 5,838 miles they said Mrs J had completed in the car since the finance was agreed in April 2022.

When we ask a business to allow a consumer to reject a car because it has been of unsatisfactory quality, we would usually tell the business to refund any deposit, refund any costs the consumer had paid to have faults diagnosed, pay some compensation in respect of any distress and inconvenience that had been caused, and refund any finance instalments paid less an amount they could retain for fair usage.

I understand that Mrs J wants BMFL to refund all of her finance instalments and that she's upset she was told that would be the case in a call she had with BMFL. The relevant legislation is the Consumer Rights Act (2015) and that allows the business to make a deduction from any refund to compensate them for the usage the consumer has had from the goods. I think BMFL were entitled to make a deduction, and here the deduction they made was the equivalent of about 6.6 monthly payments. Mrs J had the car for about eight months and had completed more than average mileage in those months. I'm not persuaded

there is sufficient evidence to suggest Mrs J didn't complete that mileage in the car as the MOT records suggest that's likely, and I don't think I have evidence the garage completed extensive mileage in the vehicle. Considering the evidence we have available, I therefore think BMFL's deduction is a fair one.

BMFL's system notes also explain that they offered to refund the costs of the two diagnostic tests Mrs J had paid for and I think that was fair.

There's limited information available about the trips Mrs J made to the dealership to get things resolved. But it's clear that it was necessary to return the car for repairs, and that Mrs J had some problems getting BMFL to agree rejection without an unnecessary independent inspection. There was also some confusion created about whether all of Mrs J's instalments would be returned to her (I don't think they should have been for reasons I've already given). Taking everything into account I think £250 was a reasonable offer of compensation from BMFL. It seems that compensation may not have been paid. I'm not upholding Mrs J's complaint as it's clear BMFL offered a reasonable redress. If BMFL subsequently fail to provide the £250 they offered before Mrs J referred her complaint to this Service she will be able to raise a complaint to them about it. If BMFL don't resolve that complaint to her satisfaction they will give her rights to refer that complaint point back to this Service.

### **My final decision**

For the reasons I've given above I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs J to accept or reject my decision before 21 September 2023.

Phillip McMahon  
**Ombudsman**