

## **The complaint**

Mr M complains that a car acquired with finance from AutoMoney Limited trading as AutoMoney Finance wasn't of satisfactory quality.

## **What happened**

In May 2022 Mr M was supplied with a car and entered into a hire purchase agreement with AML. At the point of supply the car was around 7 years old and had covered around 56,232 miles.

In June 2022 the dealership replaced the battery. In July 2022 the dealership carried out a software update. Both of these repairs were done at no cost to Mr M.

In October 2022 an engine oil and filter service were carried out.

In November 2022 Mr M took the car to a third-party garage because there was an oil leak. The job sheet states that the transfer and gearbox seals were replaced, and the oil was replenished. The job sheet also states that there was still a leak present and that a new gearbox was required.

Mr M complained to AML about the gearbox. AML arranged an independent inspection of the car, which took place in December 2022.

The inspection report stated that there were issues with the gearbox performance and an oil leak. The inspector also stated that the car had been subject to a failed repair and that it should be returned to the garage who had carried out the repair.

In its final response, AML said that at the point when the repairs were carried out on the gearbox, neither the supplying dealer or AML had been notified that there was a fault, and the third-party repairs hadn't been authorised. AML said it wasn't responsible for the issues resulting from the failed repair.

Mr M wasn't happy with the response and complained to this service.

Mr M has recently told this service that he's now had the car repaired. A job sheet for the repair says that the car had a seal kit gearbox output fitted.

Our investigator didn't uphold the complaint. He said there wasn't any evidence to show that there was a fault with the gearbox at the point of supply.

Mr M didn't agree so I've been asked to review the complaint.

## **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.

The Consumer Rights Act 2015 is relevant to this complaint. This says that goods must be of

satisfactory quality when supplied. Cars are of satisfactory quality if they are of a standard that a reasonable person would regard as acceptable, taking into account things such as the age and mileage of the car and the price paid. The legislation says that the quality of the goods includes their general state and condition and other things like fitness for purpose, appearance and finish, freedom from minor defects, safety and durability.

The car supplied to Mr M was second hand, so I'd expect it to have a degree of wear and tear, and for it to require more repairs and maintenance than, say, a new car.

I've considered all of the information and I've thought about whether there was a fault with the car which made it of unsatisfactory quality.

There's evidence to show that there was a fault with the car. This includes the third-party garage report which diagnosed an oil leak and the independent inspection report which found an oil leak from the transmission.

However, just because there's a fault doesn't mean that the car wasn't of satisfactory quality when it was supplied.

An expert report can help to determine whether a car was of satisfactory quality at the point of supply. I've reviewed the independent report in this case. It says that there's an oil leak and that the issue has been caused by a failed repair. There's nothing in the independent report which suggests that there was a fault with the gearbox at the point of supply. Looking at the comments in the report, the reasons for the oil leak appears to be deterioration of the seals and/or gaskets. I'm of the view that it's more likely that this is a general wear and tear issue rather than an inherent defect.

Based on what I've seen, there isn't any evidence to show that the car wasn't of satisfactory quality at the point of supply. So I won't be asking AML to do anything.

### **My final decision**

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 20 September 2023.

Emma Davy  
**Ombudsman**