

The complaint

Mrs W complains about the quality of a car supplied to her by Startline Motor Finance Limited ("Startline") under a hire purchase agreement.

What happened

Mrs W acquired a used car in September 2022 using a hire purchase agreement with Startline Motor Finance Limited. The cash price of the car was £5,664 and a deposit of £76 was paid. The car was first registered in April 2014 and had travelled around 90,000 miles at the point of supply, according to a MOT completed around a month prior.

Mrs W said there were issues with the car and it was attempted to be repaired on three separate occasions. On each occasion, Mrs W said the car had a major electrical fault. Mrs W arranged for repairs in October 2022, November 2022 and December 2022.

In October 2022, a new droplink was fitted to the front of the car, alongside examinations to check for water ingress in the boot. The boot was stripped, and no water ingress could be found, nor any electrical faults.

In November 2022, the battery was replaced as the car was having issues starting. No further issues were found with the car at the time.

In December 2022, Mrs W complained to Startline about issues with the car and at this point expressed her wish to reject it under the Consumer Rights Act 2015 ("CRA"). Mrs W told Startline there was water ingress in the boot – an issue which she raised and believed was resolved in the October 2022 repair. And she also said there was a squeaking noise from the wheel at certain speeds, alongside issues with the car's horn.

Startline said there was no water in the boot. They also said the horn didn't work but it had then been repaired. And they said there was no squeaking noise when the car was driven or on the ramp being checked.

Startline gave Mrs W their final response. In summary, they said as repairs had been agreed and completed, she didn't have the right to reject the car unless those repairs failed and evidence of their failings was provided.

In March 2023, the car was recovered as it was not starting. Startline said the car was looked into by a garage and an invoice was provided by them. The invoice showed that the garage resolved the issue by using a jump pack to start the car, and after a few days, it started with no issues. The invoice also showed that the garage tested the battery and it didn't show any faults. The garage noted the reason it believed the battery had drained was because the lights and fan had been left on in the car. And it showed they didn't find any water ingress in the boot, and the boot carpet and spare wheel in the boot were dry.

Mrs W didn't return to collect the car from the garage. She said she didn't think the mechanic had investigated the faults well enough and she said she asked for a further independent

mechanic to look into things but was refused. She also said she cancelled the insurance because she wasn't going to accept the car back unless it was looked at by someone else.

Startline said the garage moved the car from its premises onto a nearby public road. Startline said the car was shown to be no longer insured.

Startline said Mrs W was in breach of the terms and conditions of the agreement she signed with them as it was in arrears. They also said Mrs W hadn't provided any evidence of failed repairs and faults. As the car had been abandoned by Mrs W, they were intending to begin the process of recovering and securing their asset.

In June 2023, Mrs W referred her complaint to our service. In the same month, she also informed our service the car had been stolen and she had reported it to the police. She said she also informed Startline that the car had been stolen. Mrs W was unhappy as she believed she was unable to prove the car was faulty as it had now been stolen. She said the keys were in the garage's possession and believed they were negligent for leaving the car on the road.

Our investigator reached a view and concluded that Startline didn't need to take action. In summary, he said he didn't think that any of the repairs were unsuccessful, or faults had returned. He said it was unfortunate the car had now been stolen as without evidence of faults existing after repairs were completed, Mrs W didn't have the right to reject the car.

Mrs W didn't agree to the view. She believed there was an ongoing fault with the car which had reappeared, namely the drain to the battery.

As Mrs W disagreed, the complaint has been passed to me to decide. To my knowledge, the stolen car still hasn't been recovered.

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'm not upholding this complaint and I'll explain why below.

Mrs W complains about a car supplied to her under a hire purchase agreement. Entering into consumer credit contracts such as this is a regulated activity, so I'm satisfied I can consider Mrs W's complaint about Startline.

When considering what's fair and reasonable, I take into account relevant law and regulations. The CRA is relevant to this complaint. The CRA explains under a contract to supply goods, the supplier – Startline here – has a responsibility to make sure goods are of satisfactory quality. Satisfactory quality is what a reasonable person would expect – taking into account any relevant factors.

I would consider relevant factors here, amongst others, to include the car's age, price, mileage and description. So, it's important to note here that the car Mrs W acquired was used. I can see this car was over eight years old, cost less than £6,000 and had around 90,000 miles on the odometer when Mrs W got it. So, I think a reasonable person would accept that it would not be in the same condition as a newer car and was likely to have some parts that are worn. But a reasonable person would still expect the car to be free from larger faults and would've expected trouble free motoring for a short period.

Mrs W says there were several faults with the car since she acquired it. She also believes the engine had a parasitic drain and it needed investigating. Normally, I would go on to consider whether faults were present with the car and if so, whether the car was of satisfactory quality at the point of sale.

However, Mrs W has now had the car repaired. So, even if I was to conclude faults meant the car was not of satisfactory quality, in broad terms, her rights under the CRA were met. So, I don't think Startline needs to take any action on this point.

Having considered the evidence, I also don't think it is likely that in March 2023, the car had a fault with it. I say this because, the garage found no issues with the battery, nor water ingress. The car was recovered as it wasn't starting. From the job sheets provided, I can see the garage resolved the issue with the battery by using a jump pack to start the car, and after a few days, it started with no issues. The invoice also showed that the garage tested the battery and it didn't show any faults. It also suggested the battery likely drained due to misuse by leaving lights and fans on in the car.

I appreciate Mrs W believes the car had a parasitic drain, but she's not been able to show any further evidence of this such as a report from a garage.

That being said, even if I reached the opposite conclusion to above, I still wouldn't uphold this complaint. That's because, thinking about the remedies under the CRA, which are for Startline to have an opportunity to repair the car; for Mrs W to reject the car; or for Mrs W to be given a replacement car; these are not fair and reasonable to ask Startline to do as the car has now been stolen.

So, it has proven difficult for Mrs W to show that any faults repaired or inspected have now returned. Or that new faults have appeared which were present or developing at the point of supply.

It's an unfortunate set of circumstances that the car has now been stolen, whilst it was uninsured. And I understand Mrs W is pursuing matters elsewhere to determine who was liable for the car when it was stolen. That is not for me to make a finding on.

In summary, I don't think there is a remedy under the CRA to put things right now, considering the car has been stolen. And so, I don't uphold this complaint.

Mrs W has told our service that she asked Startline for help in arranging a repayment plan for any arrears accrued. While this is a separate issue, should Mrs W be in any financial difficulty, I would expect Startline to treat Mrs W with forbearance and due consideration.

My final decision

For the reasons I've explained, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 1 November 2023.

Ronesh Amin
Ombudsman