

## **The complaint**

Mr E complains about the quality of a used vehicle that was supplied through a conditional sale agreement with Vauxhall Finance plc (Vauxhall).

## **What happened**

In June 2021, Mr E acquired a used vehicle through a conditional sale agreement with Vauxhall. The car was about two years and nine months old and had travelled 71,000 miles when it was supplied. The cash price of the vehicle was £22,990. Mr E paid a deposit of £7,990. So, the total amount financed on the agreement was £15,000 payable over 60 months.

In November 2022, Mr E complained that the engine failed after around four months of use. Mr E said he hasn't been able to use the car for about two years. He said he's had to acquire a replacement vehicle.

Mr E says this has affected him financially, having paid over £10,000 on repairs. He would like reimbursement of the costs he's paid or to be allowed to reject the vehicle, replace it with a roadworthy vehicle and to compensate him for the distress and inconvenience suffered.

In December 2022, Vauxhall issued their final response to Mr E's complaint, which they didn't uphold. Vauxhall said Mr E complained more than six months after supply, and provided no expert evidence that the vehicle's engine was faulty when it was supplied to him.

Unhappy with their decision, Mr E brought his complaint to our service for investigation. Having reviewed all the information on file one of our investigators recommended that Mr E's complaint should not be upheld. The investigator concluded that it was unlikely the fault with the engine was present at the point of supply, given Mr E was able to travel around 4,500 miles.

Mr E didn't accept the investigator's recommendation. He provided a timeline of the repairs to the vehicle and said he didn't accept it met the standards for durability, safety and fitness for purpose. As the investigator's view remained unchanged, Mr E asked that his complaint be referred to an ombudsman for a final 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.

In considering what is fair and reasonable, I've thought about all the evidence and information provided afresh and the relevant law and regulations, regulators' rules, guidance and standards, codes of practice and (where appropriate) what I consider to have been good industry practice at the relevant time.

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.

The agreement in this case is a regulated conditional sale agreement. As such, this service is able to consider complaints relating to it. Vauxhall is also the supplier of the goods under this agreement, and is responsible for a complaint about their quality.

The Consumer Rights Act 2015 (CRA) is relevant in this case. It says that under a contract to supply goods, there is an implied term that "*the quality of the goods is satisfactory, fit for purpose and as described*". To be considered as satisfactory, the CRA says the goods need to meet the standard that a reasonable person would consider satisfactory, considering any description of the goods, the price and all the other relevant circumstances. The CRA also explains the durability of goods is part of satisfactory quality.

So, it seems likely that in a case involving a car, the other relevant circumstances a court would consider might include things like the age and mileage at the time of sale and the vehicle's history.

My starting point is that Vauxhall supplied Mr E with a used vehicle that had travelled 71,000 miles. With this in mind, I think it's fair to say that a reasonable person would expect the level of quality to be less than that of a brand-new car with lower mileage; and that there may be signs of wear and tear due to its usage which may impact its overall quality and reliability, so there'd be an increased likelihood of unforeseen problems surfacing sooner than in a new vehicle.

Having said that, the car was priced at £22,990 which isn't insignificant. It also wasn't a particularly old vehicle. So, I think it's fair to say that a reasonable person would expect it could offer a reasonable duration without any major issues.

From the information provided, I'm persuaded there was a fault with the vehicle's engine. This is apparent from the invoice dated May 2022 for £4,500, detailing the works carried out on it, and from an invoice from the manufacturer garage, dated July 2022, for £6,095 for a replacement engine. Having considered the vehicle's engine had a fault, I've considered whether it was of satisfactory quality when it was supplied to Mr E.

Mr E provided a timeline of events which outlined that the gearbox had failed around two months after supply. Mr E also said the timing belt needed replacement soon after that. Mr E also provided copies of correspondence he sent to the dealership and what appears to be the broker, to highlight problems he was having with the gearbox, timing belt and concerns he had with the service history.

I understand a complaint was raised about the above issues which was subsequently referred to our service and an investigator's opinion was issued in August 2022. As this has already been addressed by our service I won't be looking into those issues in this decision.

My decision is focussed on the failure of the engine and whether this failure means the vehicle was not of satisfactory quality, for this reason, when it was supplied to Mr E.

#### *satisfactory quality*

In November 2022, Mr E complained to Vauxhall about the failure of the vehicle's engine. This was around 18 months after acquiring it and having travelled about 4,500 miles in it.

Mr E provided invoices dated from May and July 2022, for the costs of repairs and for a replacement engine. Mr E also provided commentary from the manufacturer garage, dated in May 2022, outlining what they discovered during a health check.

Considering Mr E completed around 4,500 miles without issue, I find it plausible that the faults may not have been present upon supply. The absence of evidence to link these faults to inherent issues or inadequate durability means I'm not able to conclude that the car wasn't of satisfactory quality when it was supplied. A comprehensive evaluation of the engine would likely determine whether the faults are a result of inherent issues or external factors.

The commentary regarding the vehicle's engine faults, provided by the manufacturer garage lacks crucial details necessary for me to consider that it was a comprehensive diagnostic and root cause assessment. For example, it doesn't specify the cause or origin of the problem.

I acknowledge Mr E said the engine was rebuilt in May 2022, and provided an invoice to support this; however, similar to the commentary from the manufacturer garage, the invoice details the issues without the cause. This information is vital when considering when the fault was likely to be developing and can give an indication as to whether the vehicle was of satisfactory quality when it was supplied.

I recognise a vehicle's engine can fail for different reasons, such as poor maintenance or external factors; so, in the circumstances of this complaint, I think it's reasonable that Vauxhall expected more evidence from Mr E, such as an independent professional inspection of the engine, which would likely indicate whether its failure was a result of external factors or from an inherent flaw within the engine.

From the information provided, I'm not persuaded the car was supplied to Mr E with a developing fault to its engine.

All things considered, whilst I'm sure this would have been a difficult situation for Mr E, for the reasons given in my decision, I'm persuaded the vehicle was likely to be of satisfactory quality when it was supplied to him.

As I've concluded that the car was of satisfactory quality at the point it was supplied, I don't require Vauxhall to take any action in respect of this complaint.

### **My final decision**

Having thought about everything above along with what is fair and reasonable in the circumstances I don't uphold Mr E's complaint about Vauxhall Finance plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 22 December 2023.

Benjamin John  
**Ombudsman**