

## **The complaint**

Mr C complains that a car acquired with finance from Blue Motor Finance Ltd (“BMF”) wasn’t of satisfactory quality.

## **What happened**

In September 2022 Mr C was supplied with a car and entered into a hire purchase agreement with BMF. At the point of supply the car was around 9 years old and had covered around 80,770 miles.

Mr C misfuelled the car in October 2022. He took the car to a main dealer who drained the fuel, cleaned the spark plugs, added fresh fuel and tested the car.

In January 2023 Mr C experienced issues with the car not starting. He raised a complaint with BMF and advised that when the car started there were fumes coming out of the exhaust and the car was leaking oil. Mr C said that there was a fault with the turbo and the engine needed replacing.

Mr C advised BMF that a third party garage had already looked at the car and had told him that the issue was the turbo and that this had no connection to the misfuel.

BMF spoke to the third party garage. It confirmed that it had changed the coil packs and plugs. It said the turbo had failed and the fuel pump was faulty.

BMF also spoke to the main dealer who had carried out the repairs following the misfuel. It advised BMF that when it completed the repairs the car was fine, but that they had advised Mr C that issues might be apparent in the near future such as the fuel pump. The main dealer said it didn’t think the issue with the turbo was related to the misfuel.

BMF arranged an independent inspection of the car to confirm the faults and determine whether the faults were linked to the previous misfuel. The inspection report concluded that the fuel pump was faulty as a result of the misfuel. The engineer wasn’t able to give a diagnosis of the turbo because the engine cut out when the car was started.

Based on the findings of the inspection report, BMF didn’t uphold Mr C’s complaint. It said the faults were due to the previous misfuelling of the car.

Mr C wasn’t happy with BMF’s response, so he brought his complaint to this service.

Our investigator upheld the complaint. She said she hadn’t seen any evidence to suggest that the fault with the turbo was related to the misfuel, and that given the car’s poor service history prior to the point of supply, and the low mileage covered by Mr C since the point of supply, it was likely that the fault with the turbo was present or developing at the point of supply. The investigator said that BMF should arrange for the turbo to be repaired at no cost to Mr C and pay £200 to Mr C for distress and inconvenience.

BMF didn’t agree. It questioned how the third party garage had diagnosed a fault with the turbo without being able to test the car. BMF also said it thought that the misfuel had caused

the temperature of the exhaust gasses to increase causing damage to the turbo.

### **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 factors such as the age and mileage of the car and the price paid. The legislation says that the quality of goods includes their general condition, as well as things like fitness for purpose, appearance and finish, freedom from minor defects, safety and durability.

The car supplied to Mr C was around 9 years old and had covered around 80,770 miles at the point of supply. I'd expect a second hand car to have a degree of wear and tear and to require repairs and maintenance sooner than, say, a brand new car. So, in order to uphold this complaint, I would need to be satisfied that the fault with the car was present or developing at the point of supply as opposed to a fault which occurred due to general wear and tear, or for some other reason.

I've considered all of the available evidence about the issues with the car. Based on what I've seen, I'm satisfied that there's a fault with the car. I say this because both the third party garage and the independent inspection report state that the fuel pump has a fault and needs replacing. I'm also satisfied that there's a fault with the turbo. I say this because the third party garage told BMF this. I've also seen evidence from the third party garage to show that the turbo charger has been replaced, which I don't think would be necessary unless there was a fault with the turbo.

I've gone on to consider whether the car was of satisfactory quality when it was supplied.

An expert report can help to determine whether a car is of satisfactory quality. I've reviewed the independent inspection report dated 3 February 2023. This states that the issues with the fuel pump are linked to the misfuel. It doesn't make any diagnosis of the turbo because the engineer wasn't able to start the car. The inspection report doesn't say that the fault with the turbo is linked to the misfuel.

BMF didn't uphold Mr C's complaint on the basis that the faults were linked to the misfuel. But the inspection report doesn't link the fault with the turbo to the misfuel. So I don't think this is a fair or reasonable conclusion for BMF to reach.

I've taken the age and mileage of the car into account, and I've reviewed the service history. Prior to the car being supplied to Mr C in September 2022, I can see that the car was serviced in February 2022. Prior to that it hasn't been serviced since July 2020. Prior to July 2020 the last service was September 2017.

This service history is relevant when considering what might have caused the fault with the turbo. A turbo is designed to last the lifetime of the car (or around 150,000 miles). However, it's possible for a turbo to wear out over time depending on how the car is driven, and whether the car has been regularly serviced. The main causes of turbo failure are oil starvation, oil contamination and foreign object damage. If a car hasn't been serviced in line with the manufacturers recommended interval, then it's likely that the oil hasn't been changed as regularly as it should have been, which could result in oil contamination or low oil.

Mr C had only covered around 473 miles in the car when the fault with the turbo occurred. Because the fault arose within the first 6 months of the inception of finance, it's assumed (under the relevant legislation) that the fault was present or developing at the point of supply. I haven't seen any persuasive evidence to link the turbo to the misfuel. BMF has made reference to the temperature of the exhaust gasses being a cause of the fault but this isn't supported by the available evidence.

Taking everything into consideration, I'm persuaded that there was a fault with the turbo present or developing at the point of supply. BMF should take steps to put things right.

### **Putting things right**

Under the relevant legislation, the business is allowed one opportunity to repair the fault. However, in this case, Mr C has paid for repairs to the fuel pump and turbo himself. Upon provision by Mr C of a receipted invoice or proof of payment, I think BMF should meet the costs of the repairs to the turbo. For the avoidance of doubt, I'm not asking BMF to meet the costs of repairs to the fuel pump or to any other component part, just the turbo. I'm aware that Mr C has also had the fuel pump repaired.

Mr C has suffered inconvenience as a result of being supplied with a car which wasn't of satisfactory quality. I think it's fair to ask BMF to pay compensation of £200 to reflect this.

### **My final decision**

My final decision is that I uphold the complaint. Blue Motor Finance Ltd must:

Refund the cost of repairs to the turbo upon receipt of proof of repairs and proof of payment

Pay 8% simple interest per annum on the amount refunded calculated from the date of payment to the date of settlement

Pay £200 for distress and inconvenience

Remove any adverse information from Mr C's credit file in relation to the agreement

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 8 November 2023.

Emma Davy  
**Ombudsman**