

The complaint

Mr T complains about the quality of a car he acquired under a hire purchase agreement with Oodle Financial Services Limited trading as Oodle Car Finance ("Oodle").

What happened

In April 2022 Mr T acquired an eight and half year old car with 97,000 miles on the odometer at a cost of £10,668. Mr T financed his purchase under a hire purchase agreement with Oodle.

Under the terms of the agreement, everything else being equal, Mr T undertook to make an advance payment of £400 followed by 53 monthly payments of £299.24 making a total repayable of £16,259.72 at an APR of 23.2%.

In December 2022 Oodle and the credit intermediary paid Mr T £330 (£165 each) for repairs he says he had to have undertaken on the car.

In April 2023 Mr T complained to Oodle that the engine had developed a fault and he had been advised by two separate garages that it would need to be replaced.

In May 2023 Oodle issued Mr T with a final response letter ("FRL"). Under cover of this FRL Oodle said that in the absence of an independent report confirming the engine had a fault, or was developing a fault, at the point of sale it was satisfied it was under no obligation to compensate Mr T along the lines he was looking for.

Mr T's complaint was considered by one of our investigators who came to the view that it shouldn't be upheld.

Mr T didn't agree with the investigators view and so his complaint has been passed to me for review and 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.

It's clear Mr T has very strong feelings about this complaint, and I can confirm I've read and considered everything he has submitted. However, I trust that Mr T will not take the fact that my findings focus on what I consider to be the central issues, and that they are expressed in considerably less detail, as a discourtesy. The purpose of my decision isn't to address every point raised. The purpose of my decision is to set out my conclusions and reasons for reaching them.

Where evidence is unclear or in dispute, I reach my findings on the balance of probabilities – which is to say, what I consider most likely to have happened based on the evidence available and the surrounding circumstances.

In considering what is fair and reasonable, I need to take into account the relevant rules, guidance, good industry practice, the law and, where appropriate, what would be considered to have been good industry practice at the relevant time.

Mr T acquired the car under a hire purchase agreement, which is a regulated consumer credit agreement. Our service can look at these sorts of agreements. Oodle is the supplier of the goods under this type of agreement and is responsible for dealing with complaints about their quality. Consumer Rights Act 2015 (“CRA”) covers agreements such as the one Mr T entered into. Under the agreement there is an implied term that the goods supplied will be of satisfactory quality. The CRA says that goods will be considered of satisfactory quality where they meet the standard that a reasonable person would consider satisfactory – taking into account the description of the goods, the price paid and other relevant circumstances. I think in this case those relevant circumstances include, but aren’t limited to, the age and mileage of the car and the cash price. The CRA says the quality of the goods includes their general state and condition and other things like their fitness for purpose, appearance and finish, freedom from minor defects, safety, and durability.

In Mr T’s case the car was used, with a cash price of £10,688. It had covered 97,000 miles and was approximately eight and half years old when he acquired it. So, the car had travelled a substantial distance and it’s reasonable to expect there to be some wear to it as a result. I’d have different expectations of it compared to a brand-new car. As with any car, there is an expectation that there will be ongoing maintenance and upkeep costs. There are parts that will naturally wear over time, and it’s reasonable to expect these to be replaced. And with second-hand cars, it’s more likely parts will need to be replaced sooner or be worn faster than with a brand-new car. So Oodle wouldn’t be responsible for anything that was due to normal wear and tear.

First, I’ve considered if there was a fault with the car. I’ve seen the two reports provided by Mr T, one from a garage that I will call H dated 16 March 2023 identifying a fault with the big end bearing and crankshaft and one from a garage that I will call P dated 28 March 2023 identifying a fault with the little end bearing. This leads me to conclude that in March 2023 there was indeed one or more faults with the car. So, I’ve gone on to consider if the car was of satisfactory quality when it was supplied to Mr T.

Neither report provided by Mr T says whether the identified faults were present or developing at the point of sale. Furthermore, in March 2023 Mr T had been in possession of the car for almost a year and had, based on H’s report, been able to add 5,000 miles to the odometer (or substantially more based on an invoice from P dated 17 October 2022).

Given this and given that Mr T’s car passed its MOT on 12 April 2022 with no advisories, I’m satisfied that on the balance of probabilities the faults with the car are ones that a reasonable person might expect to see with a car that is nine and half years old and which has travelled over 100,000 miles and are ones that are due to wear and tear rather than as a result of the car being of unsatisfactory quality at the point of sale. And this is regardless of whether the car has been serviced in line with the manufacturers standards or not.

So based on all the available evidence, I’m not persuaded that Mr T was supplied with a car in April 2022 that was of unsatisfactory quality and I’m satisfied that Oodle need do nothing further in respect of Mr T’s complaint.

My final decision

My final decision is I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 11 November 2023.

Peter Cook
Ombudsman