

The complaint

Mr K complains that the car he acquired financed through a hire purchase agreement with Lex Autolease Ltd wasn't of satisfactory quality. He also complains that the incorrect name is recorded on his hire purchase agreement.

What happened

In March 2017 Mr K acquired a new car financed through a hire agreement with Lex Autolease. The duration of the agreement was 36 months. Shortly after he took delivery of the car a problem occurred, and the car went for repair. Mr K complained to Lex Autolease. He wanted to reject the vehicle under the 30-day consumer "right to reject". Mr K chose to keep the car and Lex Autolease issued a final response in June 2017. Mr K kept the vehicle for two years following the end of the initial 36-month agreement.

In March 2022 Mr K raised a second complaint with Lex Autolease. He said an ongoing issue with the timing belt had not been resolved. And he was unhappy that correspondence is addressed to a family member with a similar name to his and not to him. This meant that toll fines were being routed to this other family member. In its final response Lex Autolease said that as the vehicle was out of warranty the repairs will be down to Mr K to arrange and that if the fault was outstanding the vehicle would need to be taken to a dealership for diagnostics and investigation. With regards to Mr K's name it said it hadn't made any error as all correspondence was being addressed to the name as written on the finance agreement. Mr K wasn't satisfied and brought his complaint to this service.

Our investigator concluded that Lex Autolease hadn't done anything wrong and that it wasn't required to take any further action. Mr K asked for a final decision from an ombudsman.

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.

I realise this will come as a disappointment to Mr K but having done so I won't be asking Lex Autolease to do anything further. I've seen that Mr K has made numerous points in support of his complaint. I know I've summarised this complaint in far less detail and in my own words. I'm not going to respond to every single point made by Mr K. No discourtesy is meant by this. I'm satisfied I don't need to comment on every individual point to be able to reach what I think is the right outcome.

Satisfactory quality

Mr K's first problem with the vehicle which he raised with Lex Autolease in 2017 is not the subject of this complaint. Lex Autolease issued a final response in 2017 and Mr K opted to keep the car.

It's clear from the details of the complaint Mr K has made to this service that over a period of three to four years there were a few things that went wrong with the car and repairs were

covered under warranty. The specific complaint point Mr K raised with Lex Autolease in this second complaint concerns the timing belt. So my decision concerns this particular issue.

Lex Autolease, as the supplier of the car, was responsible for ensuring that it was of satisfactory quality when it was supplied to Mr K – whether it was of satisfactory quality at that time will depend on several factors, including the age and mileage of the car and the price that was paid for it. The car supplied to Mr K was new so I would expect that it would be free from even minor defects. Satisfactory quality also covers durability which means that the components within the car must be durable and last a reasonable amount of time – but exactly how long that time is will also depend on several factors.

Mr K said that in August 2019 the vehicle was off the road for work to be completed. He said before the first full-service the car engine started to experience low rattling noises. He said this problem remained and wasn't repaired. He said a critical battery alert was continuous even after long journeys and this issue also went unresolved. Mr K said in November 2019 there was a subtle engine noise which the garage said they would look at when the next service was due. He said in March 2020 the vehicle was booked in for a service before the expiry of his standard three-year warranty but at that time the country went into a national lockdown. He said the service was carried out in August 2020, but the engine and battery issues were not resolved. Mr K told this service that a technician for the manufacturer said, *"it's unusual for the timing chain to need replacing before 60,000 miles, you would need to be driving in constant high revolutions for that to happen"*.

I'm not disputing Mr K when he says there is a problem with the vehicle. And I sympathise with him for the issues he's had with the car. I understand how frustrating and annoying this must have been for him. In order for me to find the vehicle not of satisfactory quality I must be persuaded that the problems with the timing chain were not as a result of reasonable wear and tear and that the problem was present or developing at the point of sale. Unfortunately while Mr K has provided service sheets and checks done on the car I haven't seen any evidence that persuades me that the problems with the engine sounds and the critical battery alerts were linked to the timing chain. Nor have I seen evidence to suggest that a problem with the timing chain was present or developing at the point of sale.

In the visual health check on the car dated 19 November 2020 the odometer reading is 64,066 miles. This is above average mileage for a car of that age (three and a half years old) even taking into account the driving restrictions of the national lockdown. So I'm satisfied Mr K had more than reasonable usage of the vehicle.

Lex Autolease told this service that Mr K had the opportunity to return the car after his 36-month hire agreement ended in February 2020. If Mr K was concerned about the car at that time as he's indicated he was, this would have been an opportunity for him to have returned the vehicle.

As I'm not persuaded the problem with the vehicle was present or developing at the point of sale I'm unable to conclude that the vehicle wasn't of satisfactory quality.

The name on the credit agreement

Mr K has said toll charges and other post were sent to Lex Autolease to be forwarded to the registered keeper of the vehicle. He said his name is very similar to that of a family member with the addition of a different middle name and that these charges had been directed to that family member rather than him. He has provided evidence of his full name and spelling to this service including a certificate of residency from his local council. While this document

may confirm Mr K's full name the relevant document for this complaint is what is recorded on the hire agreement.

I've seen a copy of Mr K's hire agreement. In it he uses his first and last name and he signed the document using his first and last initial and name. Mr K's middle name doesn't appear on the agreement. So I'm satisfied Lex Autolease hasn't done anything wrong in directing correspondence to Mr K using his first and last name only.

Other complaint points

Mr K has also complained about how this agreement has been recorded on his credit file including the recording of a default. This is a new complaint point. If Mr K remains concerned about this he should first raise a separate complaint with Lex Autolease so that it has the opportunity to investigate the complaint first.

My final decision

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

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

Maxine Sutton
Ombudsman