

The complaint

Miss H complains that a car acquired under a hire purchase agreement with 247 Money Group Limited trading as 247 Money wasn't of satisfactory quality.

What happened

In April 2022, Miss H acquired a used car from 247 Money under a hire purchase agreement. The car was eight years old and had covered approximately 62,500 miles when the agreement started. The agreement was for 60 months, and the cash price of the car was £6,945.

A month after being supplied with the car Miss H noticed some faults with it, primarily to do with the horn. It was only working intermittently. She took the car to a garage to be checked, and it was confirmed the horn fitted to the car wasn't the manufacturer's and didn't have the correct connections fitted as a result. The horn was replaced, but the garage also commented that the back of the air filter wasn't attached properly and was being held together by black tape. This wasn't repaired at the time.

Miss H continued to experience some issues with the car, and in early October 2022 she replaced the battery. But just a few days later the car broke down. Miss H called a roadside assistance company to take a look. Their report said the battery wasn't receiving enough power to enable it to start the car. The report also mentioned that the airbox was damaged. A further report from the garage that originally replaced the horn stated that the battery had been tested and was good, but the car needed a boost pack to help it start. Their report mentioned some modification to the positive lead to the battery.

At this point Miss H complained to the dealership that she arranged the supply of the car with. They said they couldn't help. They said it seemed as though the faults were caused by a faulty repair when the battery was replaced.

In December 2022 the car broke down again. The roadside assistance company attended again and carried out a diagnostic test. The test report identified a number of fault codes, all to do with the electrics of the car. A temporary repair was carried out at this time, and Miss H was told to arrange a permanent repair.

Miss H complained to 247 Money. She said the car wasn't of satisfactory quality and hadn't been when it was supplied to her in April 2022. 247 Money offered to arrange for an independent inspection to take place, which Miss H agreed to. The inspection was done in January 2023, and the car had covered 68,147 miles. The inspection report confirmed the electrical faults with the car. It also confirmed that the new battery had been fitted correctly but had no charge, the airbox had been repaired with tape and the car's Body Control Module (BCM) was faulty and needed further investigation.

247 Money issued a response to Miss H's complaint at this time. They didn't uphold it as the independent report said that it wasn't felt the faults present with the car would have been present at the point it was supplied to Miss H.

Miss H brought her complaint to our service. Our investigator upheld it. He felt there was enough evidence to suggest the car wasn't of satisfactory quality when it was supplied to Miss H. He asked 247 Money to arrange to collect the car and repair it initially, and if repair didn't work they should allow Miss H to reject the car and they should cancel the agreement. As Miss H hadn't been able to use the car since December 2022 when it broke down for the final time, and had continued to make her contractual payments, our investigator said 247 Money should refund those payments to her, along with 8% simple interest. Finally, he said 247 Money should reimburse Miss H the costs of previous repairs she'd carried out to the car, as long as she was able to provide evidence of those costs to 247 Money.

Miss H accepted. But 247 Money didn't. They said the reports provided didn't confirm the faults were present when the car was supplied. They felt the failure of the car was because of sudden electrical failure, which can occur at any time.

As 247 Money didn't agree, it was passed to me to decide. I issued a provisional decision on 23 June 2023. It said:

'I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

As the hire purchase agreement entered by Miss H is a regulated consumer credit agreement this service is able to consider complaints relating to it. 247 Money are also the supplier of the goods under this type of agreement and are responsible for a complaint about their quality.

The Consumer Rights Act 2015 (CRA) covers agreements like the one Miss H entered. Because 247 Money supplied the car under a hire purchase agreement, there's an implied term that it is of satisfactory quality at the point of supply. Cars are of satisfactory quality if they are of a standard that a reasonable person would find acceptable, taking into account factors such as – amongst other things – the age and mileage of the car and the price paid.

The CRA also says that the quality of goods includes their general state and condition, and other things like their fitness for purpose, appearance and finish, freedom from minor defects and safety can be aspects of the quality of the goods.

But on the other hand, satisfactory quality also covers durability. For cars, this means the components must last a reasonable amount of time. Of course, durability will depend on various factors. In Miss H's case, the car was used and had covered approximately 62,500 miles when she acquired it. So, I'd have different expectations of it compared to a brand-new car. Having said that, the car's condition should have met the standard a reasonable person would consider satisfactory, given its age, mileage and price.

Our investigator has said he feels the car wasn't of satisfactory quality when it was supplied to Miss H. Whilst I understand why, I don't agree in this case. There is no doubt the car has faults – all the inspections carried out confirm that to be the case. But I'm not persuaded, from what I've seen, that I can conclude the car was faulty when it was supplied to Miss H. I'll explain why.

As already referred to above, 247 Money are responsible for the quality of the car at the time it is supplied and not all ongoing issues or problems that arise later. The CRA does deal with goods (in this case, the car) not conforming to the contract within the first six months of supply and this is often referred to as the 6-month burden of proof. The CRA states that where goods are found not to have conformed to the contract within the first six months, it is presumed the goods did not conform to the contract at the point of supply. Unless the supplier can prove otherwise.

From the evidence I've been provided with I'm satisfied Miss H had reason to take the car to a garage within the first six months. So, I'm satisfied that it would be 247 Money's responsibility to provide evidence to show the car did conform to the contract when it was supplied. In this case, 247 Money arranged for an independent inspection of the car to take place to determine the faults and when they might have occurred. That is what I'd expect them to do.

The report confirmed the electrical faults with the car, including the problem with the BCM. But, importantly, the assessor also confirmed in the report that, in his opinion, the faults with the electrics had developed since purchase and wouldn't have been present or developing when the car was supplied to Miss H. I find this to be the most persuasive piece of evidence in this case. The reports and invoices supplied by Miss H all confirm some wiring issues with the car – I'm satisfied that isn't in dispute here. But the only report that confirms if the faults were present or not as the time the car was supplied, is the final report provided by the independent inspection. I think it's reasonable for 247 Money to follow the advice given within it and explain to Miss H that the faults aren't their responsibility.

I understand Miss H's concerns with the car, and I'm aware she had to have the car looked at within a month of supply as the horn was only working intermittently. But that was repaired, and I'm not persuaded that alone is enough to say the car wasn't of satisfactory quality when it was supplied. Miss H used the car for a further five months and covered approximately 5,000 miles in it before the electrical faults were diagnosed. And whilst I understand why our investigator has said that he feels the wiring issues had been present since supply and had just taken some time to affect the performance of the car and cause it to break down, I simply haven't seen anything to persuade me of that. It follows that, because I'm not persuaded the faults with the car were present or developing when it was supplied to Miss H, I'm not planning on asking 247 Money to do anything more here.

I know this is likely to come as a disappointment to Miss H. She hasn't been able to use the car since December 2022 and it will need some repair work completed. But I can't hold 247 Money responsible for that.'

247 Money haven't responded to my provisional decision. Miss H has. She is unhappy with the outcome and feels really hard done by as she continues to believe the car wasn't of satisfactory quality when it was supplied to her.

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 haven't been provided with any additional evidence to lead me to change my provisional decision. I appreciate Miss H's strength of feeling here, but she hasn't provided anything to persuade me that the faults she now has with the car were present or developing at the point it was supplied to her.

I've explained in my provisional decision why I'm more persuaded by the evidence provided by 247 Money in this case. In the absence of anything else, my decision is that 247 Money don't need to do anything more here.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 7 August 2023.

Kevin Parmenter
Ombudsman