

The complaint

Mrs T complains that the car she acquired through Blue Motor Finance Ltd (“BMF”) wasn’t of satisfactory quality. She wants to return the car and be reimbursed for the payments she’s made so far.

What happened

Mrs T entered into a hire purchase agreement in October 2022 to acquire a used car. She paid a deposit of £999, and the balance of £4,000 was to be paid through the credit agreement which was set up over a 48-month term. At the time of acquisition, the car had already been driven nearly 60,000 miles and was just under 10 years old.

Mrs T told us:

- the car came with a two-month warranty, which she had to use because there were issues with the brakes and the rear wiper stopped working altogether. She says the garage fixed both problems, the latter by replacing the faulty wiring;
- in January 2023, after the warranty had expired, she noticed that all four tyres were badly cracked and would need replacing, but she couldn’t afford to do this immediately and waited until the following month to replace them at a cost of £300;
- at the start of April, the issue with the rear wiper re-occurred – it would stop and start randomly; and the Bluetooth module stopped working altogether, which led to other problems - the odometer kept flashing, it drained the battery and caused a fault with it such that it wouldn’t hold its charge;
- she purchased a new battery - £115 – but this did not resolve the matter; the odometer continued to flash, and the Bluetooth module remained inoperable – so she had to have it disconnected altogether to prevent it continuing to drain the battery - her local garage explained that the Bluetooth unit was faulty – it wasn’t able to communicate in the way it was meant to and this resulted in it draining the battery if left connected;
- the garage said a new unit could be fitted but the cost would be more than £500;
- she contacted BMF in early April 2023 to tell it she wanted to reject the car, her complaint was not handled competently, diligently or impartially; evidenced by the number of times she had to complain about BMF’s awful processes

Mrs T says the car sold to her was not of satisfactory quality and wasn’t fit for purpose at the time of sale. She wants the hire purchase agreement to be terminated and wants a refund of the money she’s spent on repairs.

BMF rejected this complaint. It said *“the faults...would be considered general wear and tear of a vehicle of this age and mileage. Repairs of this nature would be part of the general upkeep of the vehicle and part of the overall maintenance of the vehicle”*.

Our investigator looked at this complaint and said that he didn’t think it should be upheld. He said there were clearly things that were wrong with the car, but he hadn’t seen enough information to suggest that the car wasn’t of satisfactory quality when it was supplied, he

thought the types of fault Mrs T had experienced were most likely to be the result of age-related wear and tear.

Mrs T disagreed, so the complaint comes to me to decide. She also says she has the receipts to prove she had to buy new tyres – the old ones had been polished and coloured to the extent that the cracking wasn't visible at all, not even to an MOT inspector. And she advised that the car had just failed its most recent MOT, but she hadn't raised those issues directly with BMF yet.

My initial conclusions are set out in my provisional decision. In it I said I thought Mrs T's complaint should be upheld because the car that was supplied to her was not of satisfactory quality, and I explained my reasoning as follows:

"In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and (if appropriate) what I consider was good industry practice at the time. Mrs T was supplied with a car under a hire purchase agreement. This is a regulated consumer credit agreement which means we're able to investigate complaints about it.

The Consumer Rights Act 2015 (CRA) says, amongst other things, that the car should've been of a satisfactory quality when supplied. And if it wasn't, as the supplier of goods, BMF are responsible. What's "satisfactory" is determined by things such as what a reasonable person would consider satisfactory given the price, description, and other relevant circumstances.

In a case like this, this would include things like the age and mileage at the time of sale, and the vehicle's history and its durability. Durability means that the components of the car must last a reasonable amount of time.

The CRA also says goods must conform to contract within the first six months. So, where a fault is identified within the first six months, it's assumed the fault was present when the car was supplied, unless BMF can show otherwise. But, where a fault is identified after the first six months, the CRA implies that it's for Mrs T to show it was present when the car was supplied. So, if I thought the car was faulty when Mrs T took possession of it, and this made the car not of a satisfactory quality, it'd be fair and reasonable to ask BMF to put this right.

Tyres

Mrs T says the tyres were overly worn – they were heavily cracked – and needed replacing by her just a few months after she acquired the car. She says this cost her £300 and it shows that the car supplied to her wasn't of satisfactory quality. But I have to tell Mrs T that I don't agree with her.

The tyres are items that I wouldn't expect to last the lifetime of the car, and I'd not be surprised if these needed replacing soon after supply given the age and mileage of the car. It was, after all, nearly 10 years old and had been driven nearly 60,000 miles. And I've noted that the car did pass its MOT immediately before Mrs T acquired it. Because of this, and without any evidence to the contrary, I'm satisfied their condition is due to normal in use wear and tear. And any need for their repair or replacement doesn't mean the car was of an unsatisfactory quality when it was supplied.

Bluetooth module

Mrs T says the Bluetooth module wasn't working, and it was also causing other related issues – she told us about the issues with the battery and the odometer, and there may have been other related electrical matters.

I can see from her timeline, that this problem had materialised no later than early April – this is when she replaced the car battery because the Bluetooth fault had caused it to drain and had damaged it to the extent that it could no longer be charged. And by 12 April, she's paid the garage £36 for an assessment of the situation, focusing on the recurring fault with the rear wiper, the flashing odometer, and the inoperative Bluetooth.

She paid a further £198, less than two weeks later, for the work the garage undertook to repair some things and confirm the cause of the Bluetooth issue. Her garage reported that "The Blue & Me control unit is faulty has no communication which is causing a battery drain if left connected".

So, it's clear to me that the problems associated with the Bluetooth module arose within six months of Mrs T entering into the hire purchase agreement with BMF and acquiring the car.

Some research conducted by this Service uncovered the following "No Bluetooth connection, battery drain, and flashing mileage is an increasingly common problem that is caused by the internal failure of the Blue & Me control module". And I understand that the module is located inside the rear passenger door panel and will commonly fail for one of two reasons; "water ingress" or "poor quality components failing" both of which lead to the internal breakdown of the unit.

It's my view that, either of these causes; water ingress or component failure, resulting in the failure of the Bluetooth module together with the related issues during the first six months since acquisition, means that the car supplied to Mrs T was not of satisfactory quality.

I now need to consider what would be fair and reasonable to put things right. Given that the car has been looked at a number of times and BMF has, in my view, wrongly rejected Mrs T's complaint, I think Mrs T should be able to reject the car.

I need to consider that Mrs T has had some use of the car – she acquired it with a mileage of 58,907, and at its last MOT in November 2023, the recorded mileage was 60,574, a difference of just over 1600 miles in one year of usage.

I'm also going to take into consideration what she's told us about the worry and anxiety that this problem has caused her since she first acquired the car, and the inconvenience she's been caused, and I'm going to ask BMF to pay her some compensation in recognition of this. I'm also going to instruct BMF to reimburse her for some of the consequential costs she's incurred."

And I asked each party to let me have any further comments, by 19 December, that they'd like me to consider.

BMF provided no further comment or testimony.

Mrs T said she accepted my provisional 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.

Having done so, and in the absence of any additional evidence or testimony from either party, I've decided to uphold this complaint.

Putting things right

I direct Blue Motor Finance Ltd to put things right by doing the following:

- End the credit agreement with nothing further to pay.
- Remove any adverse information from Mrs T's credit file in relation to this agreement.
- Collect the car, at no cost to Mrs T, and at a time and date suitable for her.
- Refund Mrs T her deposit of £999.00
- Refund all monthly payments made under this agreement, less an amount of 20% in recognition of Mrs T's usage of the car.
- Pay Mrs T £115.00 – this is the cost of the new car battery.
- Pay Mrs T £36.00 – this is the cost of the initial assessment at her local garage
- Pay Mrs T £198.00 – this is the cost of the repairs she had to have undertaken following the assessment.
- Pay 8% simple interest on the refunded amounts, per annum, from the time these payments were made to the date of settlement*.
- Pay Mrs T £100 for the distress and inconvenience caused.

*HM Revenue & Customs requires Blue Motor Finance Ltd to take off tax from this interest. Blue Motor Finance Ltd must give Mrs T a certificate showing how much tax has been taken off if she asks for one.

My final decision

My final decision is that I uphold this complaint and require Blue Motor Finance Ltd to compensate Mrs T as I've directed above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs T to accept or reject my decision before 19 January 2024.

Andrew Macnamara
Ombudsman