

## **The complaint**

Mrs C complains about a used car she acquired through a hire purchase agreement with Zopa Bank Limited trading as Zopa. The car suffered a significant mechanical failure approximately seven months after Mrs C acquired the car and it then required expensive repairs.

## **What happened**

Mrs C acquired a used car in November 2022. The cash price of the car was approximately £6,200 and was to be repaid through the hire purchase agreement Mrs C took out with Zopa. Around seven months after Mrs C acquired the car, it suffered problems with the engine. A head gasket failure was diagnosed and a replacement engine was suggested as an appropriate repair.

Mrs C was understandably unhappy about the problems with the car and the significant repair costs. She complained to Zopa about the quality of the car, but it did not uphold her complaint. In summary, it found that the head gasket failure was more likely to be general wear and tear and it did not consider it was responsible for this.

Mrs C then referred her complaint to our service, where it was considered by an investigator. They came to similar conclusions and ultimately that it was more likely to be wear and tear of the car that resulted in the engine, or more specifically, head gasket failure. Mrs C asked for her complaint to be escalated and it has now been referred to me as the last stage in our process.

## **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 believe my decision will come as further disappointment to Mrs C as I have come to the same overall conclusions as the investigator, for what are broadly the same reasons.

Mrs C acquired a used car through a hire purchase agreement with Zopa. Zopa is the supplier of the goods under the hire purchase agreement and our service can consider complaints about regulated hire purchase agreements and ultimately the goods supplied under those agreements. Mrs C's complaint is essentially that the car she acquired was not of satisfactory quality. The Consumer Rights Act 2015 is relevant legislation to consider here and in summary, it requires Zopa as the supplier of the car under the hire purchase agreement to ensure the car supplied was of satisfactory quality. Satisfactory quality is defined in the Act and is what a 'reasonable person' would consider satisfactory, given the specific circumstances of the case. When considering cars, the age, mileage and price of the car are in my view relevant considerations when considering whether or not the car was of satisfactory quality. The type of fault, alongside when that fault occurred is also in my view a relevant consideration.

In this case Mrs C acquired a used car that I understand was around 10 years old and had travelled more than 70,000 miles. It was I understand approximately seven months and 5,000 miles before the problem with the engine arose.

There have been conflicting views about what may have caused the head gasket to fail and both of these have come from qualified parties. One has referred to the car appearing to have a new water pump fitted. It's suggested that the water pump had failed and needed replacing and this water pump failure had likely caused the engine to overheat, resulting in a damaged head gasket.

The second report doubts this finding. In summary it notes that had the head gasket been damaged and failed as a result of the water pump, or the associated overheating, the car would not have been able to travel the distance it had over the approximate seven months since Mrs C acquired the car.

I have carefully considered the submissions from all parties but I am not persuaded that the car was not of satisfactory quality when initially supplied to Mrs C. There seems to be no dispute that the water pump was changed prior to Mrs C acquiring the car. This was clearly therefore at some point before November 2022 when Mrs C got the car. I accept that the water pump failing could potentially cause the engine to overheat and therefore cause the head gasket to fail. However, I consider it unlikely that the problems Mrs C ultimately experienced with the engine would have materialised after around 5,000 miles and seven months of driving if they were connected to the water pump issue. Had the head gasket been damaged or failed completely prior to Mrs C acquiring the car, I think it more likely than not the engine would have failed considerably sooner than it actually did.

Finally, as has been reported previously the type of engine in the car has had some known problems that have resulted in the engine overheating. I have not however seen any evidence in this instance that demonstrates Mrs C's engine failure has been caused by any of the known component issues associated with this type of engine.

### **My final decision**

I fully appreciate the position Mrs C now finds herself in but for the reasons set out above I have not upheld her complaint against Zopa Bank Limited trading as Zopa.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 20 June 2024.

Mark Hollands  
**Ombudsman**