

## **The complaint**

Miss S complains that a car she acquired through a Hire Purchase agreement with Creation Consumer Finance Ltd (CCF) wasn't fit for purpose. She would like to reject it.

## **What happened**

The details of this complaint are well known to both parties so I won't repeat them again here. Instead, I will focus on giving the reasons for my 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 I have reached the following conclusions:-

- Miss S took out an agreement for a 7-year-old car with 30,000 miles on the clock in April 2023. So, she might have expected more wear, tear, and repair issues than with a new car. Having said that we do expect cars to be fit for purpose at the point of sale. When issues arise within six months of having a car, as in this case, we usually say it's down to the business to investigate and, if appropriate resolve any issues. I am surprised CCF didn't carry out an independent inspection to identify if the issues raised were point of sale issues for which it was responsible or not.
- I have seen evidence that Miss S raised multiple issues with the car the same month she got it. As a result, the back box on the exhaust was replaced, a starting issue identified leading to a replacement alternator, a health check identified further issues and whilst the car was at the dealership it failed to start leading to a faulty starter motor being replaced. I have seen no evidence or suggestion that any of these issues were down to how Miss S used the car. And I do not think all these issues can be put down to wear and tear to be expected on a used car particularly so soon after Miss S got the car.
- Miss S disputes that all the above issues were resolved and has provided a diagnostic report dated October 2023. This identified the AC operation was noisy and in poor condition, a low gas level possibly down to a leak requiring investigation, a permanent airbag circuit fault requiring investigation particularly as no warning light was showing to indicate this. Issues with the AC and airbag were raised in April 2023 so it's possible these weren't addressed fully at the time of the first repairs.
- CCF accepts Miss S had her car repaired several times and makes the point she accepted repairs. I haven't seen any evidence Miss S didn't agree to repairs but I think the issue is that some of the repairs don't seem to have resolved the problems the first time and additional faults have been discovered.
- CCF also rightly pointed out Miss S's car is a used one and faults can occur at any time. I agree with that. However, the number of faults, some of which were identified

the same month Miss S got the car and don't seem to have been resolved at the first attempt, along with other faults that manifested themselves within approximately six months of having the car, and the fact I have seen no evidence Miss S caused any of the issues lead me to conclude the car wasn't fit for purpose at the point of sale.

- I think the redress our investigator suggested is largely fair but I don't agree with a four-month refund of Miss S's payments. I have taken on board Miss S's comments about this. Whilst I don't doubt the inconvenience to Miss S when the car was being repaired the redress does include £250 compensation for any such inconvenience. I feel as she has continued to have use of the car that a 10% refund of her monthly payments from April 2023 is fairer.

#### My Final Decision

My final decision is that I uphold this complaint.

In full and final settlement Creation Consumer Finance Ltd should :-

- End Miss S's agreement with nothing further to pay
- Collect the car at no cost to Miss S
- Refund 10% of Miss S's monthly payments from April 2023
- Refund any deposit Miss S paid
- Pay 8% simple annual interest on the refunds from the date of payment to the date of settlement
- Pay £250 compensation for the distress and inconvenience caused.
- Remove any adverse information about the agreement from Miss S's credit file

Bridget Makins  
**Ombudsman**