

The complaint

Ms V complains about a car she financed with Oodle Financial Services Limited trading as Oodle Car Finance.

What happened

The parties are familiar with the background to this complaint – so I will only summarise it briefly here.

Ms V is unhappy with a second-hand car she financed on hire purchase with Oodle. In summary, she says it needs repairs costing about £3,000 (or even more). She says the gearbox had failed previously, and the car had several repairs. She wants Oodle to take the car back and cancel the finance with no impact on her credit file.

Oodle did not agree to take back the car. It pointed to an expert report it had commissioned which confirmed that the condition of the car was in line with one that had covered around 70,000 miles, and that the repairs needed to the transfer box were due to particular use rather than an inherent defect or poor previous repair.

Our investigator did not uphold the complaint so it has been passed to me for a 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.

This service resolves disputes informally – so I won't be commenting on all the evidence and information on the file. And I will instead focus on the matters I consider to be key.

The Consumer Rights Act 2015 is of particular relevance to this complaint. It says that under a contract to supply goods, there is an implied term that "the quality of the goods is satisfactory".

The Consumer Rights Act 2015 says the quality of goods are satisfactory if they meet the standard that a reasonable person would consider satisfactory taking into account any description of the goods, the price and all the other relevant circumstances. So it seems likely that in a case involving a car, the other relevant circumstances a court would take into account might include things like the age and mileage at the time of sale and the vehicle's history.

The Consumer Rights Act 2015 says the quality of the goods includes their general state and condition and other things like their fitness for purpose, appearance and finish, freedom from minor defects, safety, and durability can be aspects of the quality of goods.

Oodle supplied Ms V with a second-hand car rather than a new one. The expectation with a second-hand car as to quality and durability will be lower than a new car – in particular if the second-hand car is older and with higher mileage. And with older, more inexpensive and road worn cars the risk of potentially costly repairs is that much more.

I note the car was financed in March 2021 and was almost 9 years old - it had travelled around 56,000 miles. It also cost under £6,000, which while not an insignificant amount of money – is a lot less than the car would have sold for had it been a new or nearly new model. My starting point therefore, is that while Ms V has complained about some repairs she has had to pay for which were not covered by warranty – considering the age and mileage of the car at the point of sale – including the additional mileage she has covered in the car (in excess of 15,000 miles) it is not immediately obvious that the issues raised (including door handle breakage, turbo boost hose split, battery replacement, injectors and gearbox issues) are inherent defects as opposed to reasonably expected wear and tear in a car of this age and mileage.

I accept that certain things like issues with the gearbox and injectors are more significant matters to come across and more costly to repair. However, I note they did not occur immediately. It appears the initial gearbox repair was completed around 8 months after supply, and the injector issue was identified about a year following supply. Furthermore, there is no persuasive expert evidence to say these were inherent defects as opposed to reasonably expected wear and tear in all the circumstances.

I note the original gearbox issue appears to have been resolved by the dealer for around £600 (it says it paid for this as a gesture of goodwill) – however, Ms V says that around 7 months on from this repair there were problems with the transfer box. It appears to be cracked and leaking and Ms V suspects the original repair was not done properly first time and that it caused further damage.

My starting point is there is not persuasive evidence (in light of the age and mileage of the car and time elapsed since supply) that the original issue with the gearbox was an inherent defect – so if the repair had failed that is not necessarily a breach of contract. However, even with that aside, I note there is an expert report which states the current issues are down to the use of the car on particular surfaces and with unevenly worn tyres. The report does not conclude the issue is an inherent fault and rules out issues with poor repairs (which appears supported by the fact Ms V was able to use the car reasonably extensively for a time after those repairs without issue).

I know Ms V does not agree with the report and the cause of the current tissues identified by the expert. However, I am not an expert in cars – and although I have considered Ms V's testimony I have to give appropriate weight to the expert report I do have (which appears reasonably detailed and includes the credentials of the assessor and a statement of truth). Considering this, and the factors I have outlined around the age and mileage of the car (noting at the point the current issue with the transfer box was highlighted the car had travelled in excess of 70,000 miles and was around 10 years old), including Ms V's own use of the car since supply (15,000 miles approx.) it is difficult for me to conclude that the car was not of satisfactory quality at the point of sale. And while Ms V has provided some information as to what might have caused the issues with the transfer box including information from online forums – I don't consider this persuasive in light of the other evidence I have mentioned.

So it follows, that in looking at how Oodle handled things – I don't think it acted unfairly in not accepting the car back for a refund as Ms V wanted it to. And it appears to have carried out reasonable investigations to assist, including commissioning a report.

For completeness I know Ms V has mentioned that the third party provider of repairs that the dealer used for the initial gearbox repair usually provides a 12 month warranty for work – which she didn't benefit from. But this complaint is in respect of Oodle – not the dealer or the third party repairer of gearboxes. And while Oodle is responsible for supplying goods that are of satisfactory quality I don't consider it is fairly under an obligation to honour any

additional warranty for the goodwill repairs the dealer arranged with a third party.

I know my decision is likely to disappoint Ms V. However, she does not have to accept it and may wish to seek appropriate legal advice and pursue matters through a more formal court route.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms V to accept or reject my decision before 5 March 2024.

Mark Lancod
Ombudsman