

## The complaint

Mr P complains about the quality of a car he acquired through a hire purchase agreement financed by Advantage Finance Limited (Advantage).

## What happened

In March 2023 Mr P acquired a used car through a hire purchase agreement financed by Advantage.

In August 2023 the car broke down, and Mr P used a breakdown service, who reported that oil was leaking from the vehicle.

Mr P complained to Advantage, and they arranged for an inspection of the vehicle which took place in September 2023. The engineer that inspected Mr P's car reported that it had engine damage and possible timing belt issues, which had most likely been caused by the car having been driven with low oil. They said the car was likely low on oil due to a crack in the sump.

Advantage sent their final response to Mr P's complaint in September 2023. They said the engineer that inspected the car concluded that the problems Mr P was experiencing were unlikely to be present when he acquired the car, so repairs would be his responsibility. They didn't uphold Mr P's complaint.

Unhappy with this, Mr P obtained his own report which confirmed a crack in the sump and that the valve timing was incorrect possibly due to a piston connecting rod failure. Advantage told Mr P they felt this report confirmed their view that the damage was caused by the car being driven with low oil, and they didn't change their response to his complaint.

Unhappy with this, Mr P brought his complaint to this service for investigation. He said he checked the oil in the car on a weekly basis, so he didn't agree that he'd been responsible for running the car with low oil. Mr P said he'd only had the car for five months and the photos from the breakdown showed it had oil in it at the time.

Our investigator gave her view that whilst she wasn't persuaded by the findings of the engineer that had inspected the car in September 2023, she didn't think the car had been well maintained as it wasn't serviced in line with the manufacturer's specifications in 2012, 2014 and 2015. Our investigator said that as a result parts of the car were likely to wear out more quickly than if the car had been well maintained, and so considering this she thought the failure that led to the damage to the sump was most likely due to expected in service wear and tear, and so it didn't make the car of unsatisfactory quality at the time it was supplied to Mr P. She didn't ask Advantage to do anything more.

Mr P didn't agree with our investigators findings and maintained that the car wasn't of satisfactory quality at the time it was supplied.

As an agreement can't be reached, the case 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.

In considering what's fair and reasonable, I need to have regard to the relevant law and regulations. The agreement in this case is a regulated hire purchase agreement – so we can consider a complaint relating to it. Advantage as the supplier of the goods under this type of agreement is responsible for a complaint about their quality.

The Consumer Rights Act 2015 is relevant 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"

To be considered "satisfactory" the goods would need to meet the standard that a reasonable person would consider satisfactory – taking into account any description of the goods, the price and other relevant factors. Those factors, in the case of a car purchase, will include things like the age and mileage of the car at the time of sale, and the car's history.

The quality of the goods includes their general condition and other things like their fitness for purpose, appearance and finish, safety and durability.

Here, the car was acquired used with a cash price of around £3,200. It was around 12 years old and had travelled approximately 83,000 miles at the time of supply. When a person acquires a used car like Mr P's it's reasonable to say that the expectation of quality is lower than that of a new or younger/lower mileage second-hand car. The price for the vehicle is lower, and this is reflective of the fact that the car is more road worn. The chance of encountering a serious issue sooner, is higher.

The engineer that inspected the car in September 2023 reported that it'd been driven low on oil which caused the damage. Mr P said this couldn't have been the case as he checked the oil level regularly, and when the car broke down in August 2023 there was evidence of the oil leaking.

I've seen evidence that there was a substantial loss of oil when the car broke down in August 2023, and there was sufficient oil remaining in the vehicle for the breakdown engineer to be able to see this on the dipstick. In addition, Mr P has reported that he checked the oil regularly due to his travel for work and there has been no report of a warning light in the vehicle in relation to low oil by any of the engineers that've inspected it.

So, on the balance of probabilities, I'm not persuaded that the car being run low on oil recently has caused the damage to the engine.

Mr P had the car inspected a second time, and that engineer reported that the sump had been punctured internally. The cause and effect of the fault couldn't be confirmed, but I find these findings persuasive in that there was a failure of parts which led to the loss of oil from the vehicle.

So, I've gone on to consider whether those parts were reasonably durable. Mr P's car was 12 years old and had travelled around 83,000 miles at the time it was supplied. At the time of the breakdown, Mr P had used the car for approximately six months and covered around 6,000 miles.

I've seen evidence that there were some services missed in the first five years of the car being registered. Manufacturers recommend an annual service/oil change because debris can accumulate within engine oil and the oil may lose its protection and lubrication properties over time. So, whilst these missed services were some time ago, they could've increased the wear on engine parts and this may mean that they fail sooner than in a well maintained vehicle.

The parts that have failed in Mr P's car around the sump and piston connecting rods might be expected to last around 100,000 miles in a well-maintained vehicle. Taking into account the age and mileage of Mr P's car at the time of supply, and that it wasn't always serviced in line with manufacturers recommendations, I think a reasonable person might expect that these parts could fail sooner.

I think, that at 12 years old, having covered around 83,000 miles, and not always having been serviced in line with the manufacturers recommendations, Mr P's car was around the age when a reasonable person might start to expect that some relatively serious repairs may be needed as a result of normal in-service wear and tear. As a result, I find there was no durability issue with the car when it was supplied.

Whilst what has happened is unfortunate, it is the risk of owning an older, higher mileage second-hand car like this one. I appreciate that having a car that has catastrophic engine damage is stressful, and may be an expensive, experience for Mr P. That doesn't mean that Advantage are responsible for the cost of repairs.

### **My final decision**

For the reasons I've explained above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 9 July 2024.

Zoe Merriman  
**Ombudsman**