Ombudsman Decision
CIFO Reference Number: 25-000512
Complainant: Mr O
Respondent: Investec Asset Finance (Channel Islands) Limited

Complaint

The complainant, who I'll refer to as Mr O, is complaining about Investec Asset Finance (Channel Islands) Limited because he believes the car it supplied him with a car under a hire purchase agreement wasn't of satisfactory quality. He's also complained about events that took place when repairs were carried out, including that the dealer tried to charge him when it shouldn't have and unlawfully retained a set of keys.

Background

Mr O bought a used car from the dealer in October 2023. The documentation provided records that the car was originally registered in 2016 and had travelled 18,900 miles when it was purchased by Mr O. The purchase was financed by a hire purchase agreement with Investec (the finance company).

Around September 2025, by which time Mr O says the car had travelled 28,000 miles in total, it experienced issues that were attributed to a known issue with the timing belt (a 'wet belt'). Repairs were completed by the dealer and, although it tried to charge him for this work initially, it was

[1] Financial Services Ombudsman (Jersey) Law 2014 Article 16(11) and Financial Services Ombudsman (Bailiwick of Guernsey) Law 2014 Section 16(10)

ultimately completed at no cost to Mr O. There was a dispute with the dealer that meant a set of his keys were retained for a short time, but I understand he was able to drive the car during that time using another set.

With regard to the dispute over the dealer retaining a set of keys, Mr O did issue a petty debt summons. Without admission of liability and to avoid the need to attend court, the dealer agreed to pay him the sum of £596 and he accepted that in settlement of this issue.

Mr O maintains the car wasn't of satisfactory quality when it was sold and believes the agreement should be cancelled with all monies he's paid refunded. He's also seeking substantial compensation of between £3,000 and £5,000 for the distress and inconvenience caused by the issues covered in his complaint.

After reviewing the evidence carefully, I didn't conclude the complaint should be upheld. In summary, I felt a repair completed at no cost to Mr O was a fair outcome and that no further action was required in connection with the fault. As for the dispute with the dealer when the repairs were completed, I didn't recommend any further payment was required.

Mr O didn't accept my assessment and requested a formal determination. He argues that:

- A repair is required to resolve the issue. Replacing a degraded belt with an identical component in a flawed wet belt engine doesn't resolve the inherent design defect. The car remains non-durable and unsafe.

- Investec is responsible for the conduct of the dealer.

- His settlement with the dealer was for the retention of the set of keys. It didn't settle his claim for the breach of the hire purchase agreement or the distress caused by the dealer's bad-faith invoicing.

My Findings

I’ve carefully considered all the available evidence and arguments to decide what is, in my opinion, fair and reasonable in the individual circumstances of this complaint. In considering what’s fair and reasonable, I’ve had regard to the relevant law and regulations; any regulator’s rules, guidance and standards, codes of practice, and what I consider was good industry practice at the time.

In setting out my decision, I haven’t necessarily mentioned or addressed every point raised by the parties. Instead, I’ve concentrated on the key issues that I think are central to the outcome of the complaint. This is in keeping with our established purpose to act as an informal alternative to the courts.

Where necessary or appropriate, I’ve reached my conclusions on the balance of probabilities; that is, what I consider is most likely to have happened, in light of the available evidence and the wider surrounding circumstances.

Under the hire purchase agreement, Investec was the supplier of the car. In keeping with The Trading Standards (Fair Trading) (Guernsey) Ordinance, 2023, goods supplied in this way must be of *‘satisfactory quality’*. The fact the car may have been subject to a recall by the manufacturer to fix an identified issue doesn’t automatically mean it wasn’t of satisfactory quality at the point of sale.

From the evidence provided, it appears the manufacturer initially estimated the timing belt would need replacing after 10 years or 110,000 miles and the car was well within these parameters at the time of sale, meaning repair or replacement was unlikely to be required imminently. This view is supported by the fact he was able to drive the car for nearly two years before a repair was needed. I understand this estimate was reduced to five years or 62,000 miles for post 2017 vehicles, and if correct this wouldn’t have directly affected Mr O’s car in any event as it was registered in 2016.

Either way, I’ve considered Mr O’s comments about the durability of the timing belt. I understand that other cars may have different types of belts with different maintenance schedules. But it’s a fact that card are designed differently and the parts and components of some will last longer than the parts and components of others. It doesn’t necessarily follow that the original belt on this car (or the replacement fitted by the dealer) isn’t durable or fit for purpose because other types of belts on other cars are expected to last longer. It’s my view that replacing the timing belt is part of the general maintenance a car owner would expect to undertake over the period they own a vehicle. In this case, the replacement needed carrying out earlier than Mr O might have expected when he bought the car. But the fact he didn’t pay for this means he hasn’t lost out as a result.

The above notwithstanding, and for the sake of completeness, I‘ve thought about what the appropriate outcome would be if it were to be determined that the car wasn’t of satisfactory quality at the point of sale.

The legislation sets out that consumers have the right to reject goods in certain circumstances. But the short-term right to reject only normally applies in the first 30 days after purchase. The legislation also allows for a final right to reject if repairs are impossible or are attempted and unsuccessful. Incidentally, in this situation the legislation does permit the finance company to make a deduction to reflect the benefit the customer has had from the use of the goods since the initial sale. So that customer shouldn’t expect to receive a return of everything they’ve paid to the finance company.

In this case, Mr O was able to use the car for more than 30 days, so the short-term right to reject doesn’t apply. And as the dealer was able to complete necessary repairs to allow him to continue using the car for its intended purpose, I don’t believe the final right to reject applies either. While I don’t conclude that Mr O has the right to reject the car, he does have the right to a repair at no cost to him. This remedy has already been applied and, accordingly, I don’t find that Investec needs to do anything further to put things right.

Turning to the issues between Mr O and the dealer when the repair was completed, it's not in dispute that the dealer initially tried to charge him for the work. This was an error. But it's an error that was rectified at the time. While I don't seek to trivialise what took place, I wasn't present and can't know exactly what was said or how the parties conducted themselves. In the circumstances, I don't think I can reasonably require Investec to pay additional compensation.

It seems that one of the consequences of these events is that a set of keys remained with the dealer before Mr O was able to collect them shortly afterwards. But this didn't prevent him using the car and I consider this particular issue was settled with the payment he received from the dealer, as he acknowledges himself.

In conclusion, I'm satisfied appropriate steps were taken to put right the issues Mr O experienced with the car at no cost to him. And I don't believe further compensation arising from his interactions with the dealer at the time the repairs were completed is due.

It's for these reasons that I'm not upholding this complaint. I appreciate this will come as a disappointment to Mr O, but I'm satisfied the outcome is fair and reasonable in the circumstances.

My Final Decision

My final decision is that I do not uphold this complaint.

Jim Biles
Ombudsman

Date: 5 February 2026