

The complaint

Mr K complains that a used car he acquired under a conditional sale agreement from Moneybarn Limited ("Moneybarn") wasn't of satisfactory quality or fit for purpose contrary to the requirements of the Consumer Rights Act 2015 ("CRA"). As a result he has suffered loss.

What happened

Mr K entered into a conditional sale agreement with Moneybarn in respect of the car in November 2018. The car was then some six years old, and it had a recorded mileage of 57,778 miles. The cash price of the car was £4,975, and Mr K agreed to pay this and finance charges by 59 monthly instalments of £158.46 each

Mr K says he was unhappy with the transmission of the car soon after delivery. But as a new driver he didn't realise there was a fault until it broke down in April 2019. Mr K obtained a diagnostic report, which indicated a number of faults with the transmission. He sent this to Moneybarn in April 2019.

Moneybarn quickly arranged for the car to be inspected by an independent motor engineer ("IME"). The inspection was carried out on 29 April 2019. The IME agreed that there were faults in the transmission which required substantial repairs. He concluded that these faults were likely to have been developing at the time of delivery to Mr K.

Moneybarn gave the supplying dealer the opportunity to carry out the required repairs, but it didn't respond. So in June 2019 Moneybarn agreed to accept the return of the car and to cancel the conditional sale agreement from the date Mr K complained to it in April 2019.

Moneybarn refunded the payments Mr K had made after the date of his complaint. It refunded a further month's instalment as a contribution towards the cost of the replacement car Mr K had to buy after this car broke down. And it paid him £100 as compensation for the distress and inconvenience it had caused him.

Mr K complained to us. He thought Moneybarn should have refunded more than this because of the inconvenience he had suffered. In particular, he said that as he was self-employed, the breakdown of the car meant he had suffered a loss of earnings.

Our investigator didn't recommend that this complaint should be upheld. He said we wouldn't normally consider loss of earnings as this was difficult to quantify and prove.

Moneybarn had acted quickly to accept the return of the car. It had refunded payments for the car from the date of breakdown onwards. It had also paid Mr K compensation which he thought was fair and reasonable in the circumstances.

Mr K responded to say, in summary, that:

- he was having problems with the car for some time before he contacted Moneybarn;
- he thought his loss of earnings should be taken into account;
- he also lost earnings due to the car being unreliable before it finally broke down;
- Moneybarn had offered the opportunity for him to get a rental car when the car broke down. But this wasn't a possibility as it was less than a year since he had passed his driving test;
- Moneybarn had talked of refunding the full amount of the replacement car he had to get, but in the event only made a small contribution;
- he had to continue paying business insurance while he was without a car until he could obtain a replacement car; and
- he had to pay for sign writing on the car for his business, the benefit of which he lost after the car was returned.

Overall, Mr K thought he should receive more of his money back from Moneybarn because of the stress and inconvenience he had endured. So this complaint has been passed to me to issue 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.

At my request, the investigator asked Mr K to supply further information and evidence so that I could fully consider the points he made in response to the investigator's recommendation. However, Mr K hasn't responded to the investigator.

When Mr K complained to Moneybarn in April 2019, it quickly arranged for the car to be inspected, and accepted the result of that inspection. It cancelled the conditional sale agreement as from the date of the complaint, refunded a further month's instalment, and paid Mr K £100 compensation for the distress and inconvenience it had caused him.

On the information and evidence available to me, I think Moneybarn treated Mr K fairly and reasonably, and I can't reasonably require it to do anything more.

My final decision

My decision is that I don't uphold this complaint, and make no order against Moneybarn Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 7 August 2020.

Lennox Towers
Ombudsman