

## **The complaint**

Mr L is unhappy that a car supplied to him under a conditional sale agreement with Moneybarn No. 1 Limited trading as Moneybarn, was of an unsatisfactory quality.

## **What happened**

In July 2019, Mr L was supplied with a used car through a conditional sale agreement with Moneybarn. The agreement was for £7,450 over 60 months, with monthly repayments of £296.05. At the time, the car was over six years old and had done 92,777 miles (according to the MOT of 3 July 2019; the agreement of the same date records 93,000 miles).

Mr L said that, within a few days of taking possession of the car, he heard a knocking sound. He reported this to the dealer who supplied the car. The dealer inspected the car but wasn't able to find anything wrong. In December 2019 Mr L had a problem with the exhaust – he heard a snapping sound and, when he took it to an exhaust centre, they confirmed the exhaust had broken.

Mr L was unhappy with the quality of the car and wanted to return it. He complained to Moneybarn who said it was a wear and tear issue. Mr L didn't agree with this, so he brought his complaint to the Financial Ombudsman Service for investigation.

Our investigator said Mr L hadn't provided anything to show there was a knocking sound when he took possession of the car, for example a report from a garage or engineer, or that this knocking sound continued after the dealership had inspected the car.

The investigator also said that Mr L had driven 5,000 miles before he experienced any problems with the exhaust. So he didn't think it was likely the exhaust problems were present when the car was supplied to Mr L, and he thought it was most likely this was down to normal wear and tear. So he didn't think Moneybarn had done anything wrong and didn't think they needed to do anything more.

Mr L didn't agree with the investigator. He said *"the garage knew there was a problem and kept it from me at purchase and days after when I returned the vehicle."* He feels that Moneybarn are responsible for this, as the supplier of the car, and he's asked for an ombudsman to make a final 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 this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and (if appropriate) what I consider was good industry practice at the time. Mr L was supplied with a car under a conditional sale agreement. This is a regulated consumer credit agreement which means we're able to look into complaints about it.

The relevant law – the Consumer Rights Act 2015 (CRA) - says, amongst other things, that the car should've been of a satisfactory quality when supplied. And if it wasn't, as the supplier of goods, Moneybarn are responsible. What's satisfactory is determined by what a reasonable person would consider satisfactory given the price, description other relevant circumstances. In a case like this, this would include things like the age and mileage at the time of sale; and the vehicle's history.

The CRA also says that, where a fault is identified within the first six months, it's assumed that the fault was present when the car was supplied. But this doesn't apply where it's established the goods conformed to contract when they were supplied, for example where the fault is the result of wear and tear. So, if I thought the car was faulty when Mr L took possession of it, and this made the car not of a satisfactory quality, it'd be fair and reasonable to ask Moneybarn to put this right.

When Mr L took possession of the car in July 2019, it was just over six years old and had done 92,777 miles. I'd expect to see wear and tear in a vehicle of that age and mileage. And I think any reasonable person would expect to have to repair or replace some parts of the car over time.

Mr L reported a knocking noise to both Moneybarn and the dealer who supplied the car within a few days of him taking possession of the car. He's said he took the car back to the dealership, and they couldn't identify any problems. While I've not seen anything to show me this was the case, I don't doubt it happened.

But I haven't seen anything to show me that the knocking was an ongoing problem. Mr L said the knocking continued until the exhaust broke. But he hasn't provided any reports from a garage or engineer to show there was a problem with the car that causing a knocking noise. And after the dealership had initially inspected the car, he didn't take it back to the dealership, or complain to Moneybarn, because the knocking noise was continuing.

And when Mr L complained to Moneybarn in December 2019, it was only about the exhaust. I haven't seen that he raised the issue of knocking noises. And I've not seen any other evidence to show me that the car has any underlying faults or issues that may be noticeable by a knocking noise. Based on this, it's reasonable for me to conclude that there were no ongoing issues with Mr L's car that caused a knocking noise. And the only issue is that of the exhaust.

An exhaust isn't a part that any reasonable person would expect to last the lifetime of the car. Exhausts need replacing over time and are considered to be a wear and tear item – because of their positioning underneath the car, exhausts are prone to being damaged by loose items in the road, by potholes, by speedbumps and by kerbs; and they're also prone to corrosion due to water and salt (from 'grit' used in icy conditions) on the road.

Exhausts are a part that's inspected during an MOT test, and early problems with exhausts can be identified when emissions testing takes place during the MOT test. I've looked at the MOT history and seen that one was done on 3 July 2019 – the day Mr L took possession of the car. The car passed with no advisories. And if there was a problem with the exhaust at this point, I'd either expect it to have been fixed so the car could pass the MOT, or for it to be identified as an advisory. I've also noted that the MOT history for the car doesn't show any historic exhaust problems either.

So, taking everything into consideration, I'm satisfied there weren't any problems with the exhaust at this point.

It's unfortunate for Mr L that the exhaust failed in December 2019. But all the evidence I've seen suggests there were no problems present when Mr L took possession of the car. And, given the age of the car, the mileage it'd already done when Mr L took possession of it, and the fact he'd travelled a further 5,000 miles before the exhaust failed; I'm satisfied the need to have to replace a worn-out wear and tear item such as an exhaust should've been reasonably expected.

Because of this, I don't agree that Moneybarn are responsible for the costs of repairing Mr L's exhaust, nor do I think they should take the car back and unwind the finance agreement. I'm satisfied that, considering all the relevant circumstances, Mr L's car was of a satisfactory quality when supplied.

### **My final decision**

For the reasons explained above I don't uphold Mr L's complaint against Moneybarn No. 1 Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 1 January 2021.

Andrew Burford  
**Ombudsman**