

The complaint

Mr L complains about issues he's experienced with a car supplied with finance from Moneybarn No. 1 Limited.

What happened

In December 2018 Mr L was supplied with a car and entered into a conditional sale agreement with Moneybarn. At the point of supply the car was approximately 6 years old and had covered around 40,000 miles.

In January 2019 Mr L contacted Moneybarn and reported issues with the car including:

- Steering wheel lock jammed
- Heated rear windscreen not working
- Rear tail light faulty

Moneybarn arranged an independent inspection of the car, which took place in March 2019. The supplying dealer was already carrying out repairs at this time. The reported faults at the time of the inspection were:

- Heated rear window not working
- Rear passenger tail light faulty
- Keyless entry faulty on drivers' side
- Heater blowing cold air when driving in electric mode
- Charging flap jammed
- Outside door unlock button not working on drivers' side
- EML illuminated

The report concluded that faults were present, and that the car should be returned to the dealer for investigation and repair to the electrical system.

The supplying dealer carried out a diagnostic in May 2019 and found the parking brake wasn't locking and a charge port door was sticking causing fault codes.

The car was subsequently involved in an accident which delayed completion of the repairs.

When Mr L got the car back in April 2019, he said the issues he'd raised hadn't been repaired. The car was returned to the supplying dealer and repairs were completed in July 2019, apart from the rear tail light as the part was on order.

Mr L remained unhappy because some of the issues still hadn't been resolved. Moneybarn said it would cover the cost of repairs to the rear tail light. It also refunded two monthly instalments and paid compensation of £150.

Mr L wasn't happy with the response and complained to this service. He said the heater doesn't work properly, the rear lights were full of water and the electric fuel flap doesn't open properly. He wants the faults repaired.

Our investigator asked Mr L to obtain a report confirming that these faults were still present. In January 2020 Mr L obtained a diagnostic which showed that the nearside door mirror wasn't folding, and the heater wasn't working properly.

Our investigator upheld the complaint. She thought there were faults with the car which hadn't been successfully repaired and said Moneybarn should arrange repairs to the heater, the door mirror and the rear lights. She also said Moneybarn should pay further compensation of £75.

Moneybarn agreed to reimburse the cost of diagnostic reports obtained by Mr L and pay a further £75 compensation. It also agreed to repair the heater and the rear lights. But it said that the issue with the door mirror hadn't been raised prior to the diagnostic in January 2020 and that it shouldn't be responsible for this.

Mr L said he was happy for repairs to be carried out as a resolution to his complaint, but he wanted more compensation.

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.

Because Moneybarn supplied the car to Mr L under a conditional sale agreement, there's an implied term that it is of satisfactory quality. Cars are of satisfactory quality if they are of a standard that a reasonable person would expect, taking into account all of the relevant circumstances such as, amongst other things, the age and mileage of the car and the price paid. I'd expect a second hand car – such as that supplied to Mr L – to have a degree of wear and tear and to require repairs more often than a brand new car. So, in order to uphold this complaint, I would need to be satisfied that there was an inherent fault with the car rather than a fault caused by general wear and tear.

Under the Consumer Rights Act 2015, where a fault occurs in the first 6 months, there's a presumption that it was present or developing at the point of supply unless the business can show otherwise. The business is allowed one opportunity to repair the fault. If the repair isn't successful, the consumer can reject the car. After 6 months it's up to the consumer to show that the fault was present at the point of supply.

There's no dispute in this case that some of the repairs weren't successful. Mr L doesn't want to reject the car and instead wants the faults repaired. Moneybarn has agreed to

arrange repairs to the heater and the rear tail lights. It has also agreed to reimburse the costs of the diagnostic reports. The only issues between the parties are the door mirror and the level of compensation.

Mr L says it took him a while to realise that the door mirror wasn't folding as it should. He says that as soon as he became aware that there was a fault, he reported this to Moneybarn. He says that Moneybarn asked him to obtain a report from the main dealer confirming the fault, which he did and sent this to Moneybarn.

Moneybarn says the issue with the mirror wasn't raised until the diagnostic report was carried out in January 2020.

I've reviewed the available information. I can't see any reference to the mirror in the independent inspection, but I can see that it was identified in the diagnostic reports dated November 2019 and January 2020. I've taken Mr L's testimony into account which has been consistent about the mirror and I'm persuaded that there is a fault with the mirror which was more likely than not present or developing at the point of supply.

In relation to compensation, I can see that Mr L has had to return the car for repairs several times. I've no doubt that this caused him inconvenience, as he was left without the use of the car. I also appreciate that Mr L will have incurred some expenses in returning the car for repairs.

I can see that Moneybarn has already paid the sum of £888.70 to Mr L plus travel expenses of £71.15. Of this sum, £150 was for distress and inconvenience. I think the award for inconvenience should be increased by a further £75 but otherwise the compensation is fair and reasonable.

Putting things right

Moneybarn should arrange for repairs to be carried out to the heater, the rear tail light and the mirror. It should reimburse the cost of the diagnostic reports. It should also pay further compensation of £75.

My final decision

My final decision is that I uphold the complaint. Moneybarn No.1 Limited must:

- Arrange for repairs to the heating system, the rear lights and the mirror
- Reimburse the diagnostic costs incurred by Mr L upon provision of proof of payment
- Pay further compensation of £75

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 4 January 2021.

Emma Davy
Ombudsman