

The complaint

Mr J complains that a car acquired with finance from Moneybarn No 1 Limited wasn't of satisfactory quality.

What happened

In November 2019 Mr J was supplied with a car and entered into a conditional sale agreement with Moneybarn.

Mr J experienced issues with the car shortly after collecting it. These included intermittent knocking sounds from the engine and the car failing to start.

Mr J contacted the supplying dealer who said it would reimburse Mr J for a new battery if he arranged to have it replaced.

Mr J says that once the new battery was fitted the starting issue temporarily disappeared. But they soon returned and as well as this, Mr J experienced the electronic handbrake not working, the car overheating and other electrical failures. He complained to Moneybarn.

Moneybarn arranged for an independent inspection of the car. This took place in February 2020. The engineer found that the heater blower fan remained on when the engine was turned off and said he suspected that this was causing the battery to become discharged. The engineer also found electrical fault codes, evidence of accident repair and a clunking noise which he suspected was a CV joint. The engineer concluded that the accident repairs would've been present at the point of supply but couldn't confirm when the electrical fault with the heater had occurred.

A further independent inspection was carried out in March 2020. The engineer found that the dashboard was displaying a battery discharged message and the heater fan continued to run at full speed after the engine had been turned off. The engineer also found a vibration in the engine and evidence of cosmetic refinishing with the bonnet and front wings appearing to have been repaired and repainted.

Based on the findings of the independent inspections, Moneybarn rejected Mr J's complaint. It said that although the inspection had found some faults, these weren't likely to have been present at the point of supply.

Mr J wasn't happy with the response and complained to this service.

Our investigator upheld the complaint. He said he thought the issues with the car starting were likely to have been caused by the heater blower fault which affected the battery charge retention. The investigator said that the first independent inspection had identified 22 fault codes which supported Mr J's testimony that there were several electrical faults. The investigator concluded that the car wasn't of satisfactory quality at the point of supply and said that Mr J should be allowed to reject the car.

Mr J said he agreed with the investigator. Moneybarn didn't reply so I've been asked 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.

Because Moneybarn supplied the car 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 regard as acceptable, taking into account factors such as age and mileage. Satisfactory also includes fitness for purpose, durability and safety

Under the Consumer Rights Act 2015, where a fault occurs in the first 6 months from the point of supply, there's a presumption that it was present or developing at the point of supply and it's generally up to the business to put things right. 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 the burden of proof is reversed and it's up to the consumer to show that the car wasn't of satisfactory quality.

An independent engineers report can help to decide whether the car is of satisfactory quality. I've looked at the reports in this case. Both engineers have identified a fault with the heater blower fan remaining on after the engine is turned off. The first inspection report suggest that this is causing the battery to drain. The second report noted that a battery discharge warning message was displayed.

Both reports also identify accident damage to the car which has been repaired. Although I appreciate that part of Mr J's complaint relates to his suspicion that the car has been in an accident, I don't think that accident repair of itself would render the car of unsatisfactory quality.

It's the fault with the heater blower which, in my view, renders the car of unsatisfactory quality. Mr J's testimony is very clear about the problems he experienced with the car failing to start within the first month of acquiring it. The supplying dealer met the costs of a new battery, but the issues continued. Even with the new battery the car displayed a battery discharged warning message on the second inspection, which was only around 3 months of the new battery being fitted.

The battery was replaced at the request of the supplying dealer and it reimbursed Mr J for the cost of a new battery. So, whilst the supplying dealer didn't carry out the repairs itself, I'm treating this as an attempt at repairs. It's clear, from the information in the independent reports, that the attempt at repair wasn't successful, because the battery was still showing as discharged.

Taking all the available evidence into account, I'm persuaded that there was a fault with the heater blower which was causing the battery to discharge. The fact that the issues with the car failing to start and requiring a new battery began so soon after the point of supply suggests to me that the fault was likely to have been present at the point of supply.

Putting things right

There has already been an attempt at repair here, by replacing the battery, which hasn't been successful. Under the relevant legislation, Mr J should be allowed to reject the car.

It's clear that the fault with the heater blower and battery has caused intermittent issues for Mr The car hasn't performed as it should have done and Mr J has suffered impaired use as a result. Because of this, I think it's fair to ask Moneybarn to refund 5% of all payments Mr J has made since 4 December 2019. I'm not asking Moneybarn to refund all the payments Mr

J has made because I can see that he's had use of the car.

Mr J has described the impact of the issues with the car have had on him. He's had to take time off work to have the car repaired and inspected and he's suffered inconvenience when the car wouldn't start. I think its fair to ask Moneybarn to pay compensation to reflect this.

My final decision

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

- End the agreement with nothing further to pay
- Arrange for the car to be collected at no cost to Mr J
- Refund any deposit paid together with 8% simple interest from the date of payment to the date of settlement
- Refund 5% of all monthly payments made by Mr J since 4 December 2019 together with 8% simple interest from the date of payment to the date of settlement
- Pay compensation of £200 for distress and inconvenience
- Remove any adverse information from Mr J's credit file

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 24 May 2021.

Emma Davy
Ombudsman