

The complaint

Mr A complains that the vehicle he acquired through a conditional sale agreement financed by Moneybarn No. 1 Limited wasn't of satisfactory quality. He wants the cost of repairs made to the vehicle to be refunded.

What happened

Mr A is represented in this complaint by Mrs F. But for ease of reading I'll just refer to him.

The details of this complaint are well known to both parties, so I won't repeat them again here. The facts are not in dispute, so I'll focus on giving the reasons for my 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.

I'm sorry that Mr A had the misfortune and inconvenience of the vehicle experiencing a breakdown within a couple of months of him acquiring it.

Our investigator issued a view in which he recommended that Mr A's complaint be upheld. And he thought that Moneybarn should cover the repair costs of £925.89, subject to proof of payment of those costs being supplied by Mr A.

Moneybarn initially disagreed with that view. It asked for an ombudsman to make a decision. But before I was able to do so, Moneybarn told us that it now accepted that it should cover the costs of repair.

But it also informed us that Mr A's account was substantially in arrears, to an amount of more than £3,600. And it suggested that - rather than directly refund the repair cost - it should credit it to Mr A's account and reduce the level of arrears.

I'm now aware that Mr A hasn't yet settled the repair bill with the garage that did the work, a business I'll refer to as "*P*".

As I'm dealing with a complaint about Moneybarn, it's not my role to intervene in any arrangements which Mr A may have made with P. That's a private matter between him and that business. And whilst I understand that he's asked Moneybarn to make payment to P directly, that's not something that I could require it to do. That specific debt exists between Mr A and P - not between Moneybarn and P. And I'm not able to order Moneybarn to make payment to anyone or any business which isn't a party to this complaint.

My determination of this complaint is based on what I consider to be fair and reasonable. And this service wouldn't recommend that a consumer withhold contractual payments. But I could perhaps, have understood if Mr A had used some of the monthly payments he was due to make to Moneybarn and instead used them to settle the garage repair bill. But it appears that whilst retaining use of the vehicle he's not made payments to either Moneybarn nor P. In those circumstances, I think it's fair and reasonable for Moneybarn to credit Mr A's account. Rather than make a refund in cash terms.

I've not seen a final invoice – as opposed to an estimate of costs – although it may be that the amounts are the same. So I will limit the amount which should be credited to Mr A's account to the lesser of the final invoice cost or £925.89.

As Mr A hasn't paid the repair bill, I shan't ask Moneybarn to add any amount of interest to the sum credited. Mr A hasn't lost the use of the funds that would otherwise have gone towards paying for repairs.

In summary, as Moneybarn has accepted that it should refund the repair costs, I think given the overall level of arrears that this should be done by way of a credit to the account.

Putting things right

Moneybarn should credit Mr A's account with £925.89 or such sum – not exceeding this amount – which represents the final invoice for repairs.

My final decision

For the reasons given above my final decision is I'm upholding this complaint.

I now require Moneybarn No. 1 Limited to take the action I've stipulated in the preceding paragraph.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 28 April 2021.

Stephen Ross
Ombudsman