

The complaint

Mrs C complains about the quality of a car she has been financing through an agreement with Moneybarn No. 1 Limited ("Moneybarn").

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here. Instead I'll focus on giving my 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 know it will disappoint Moneybarn, but I agree with the investigator's opinion. Please let me explain why.

Where the information I've got is incomplete, unclear or contradictory, as some of it is here I have to base my decision on the balance of probabilities.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

Mrs C acquired her car under a conditional sale agreement. This is a regulated consumer credit agreement and as a result our service is able to look into complaints about it.

The relevant law says, amongst other things, that the car should have been of satisfactory quality when supplied. If it wasn't then Moneybarn, who are also the supplier of the car, are responsible. The relevant law also says the quality of goods is satisfactory if they meet the standard that a reasonable person would consider satisfactory taking into account any description of the goods, the price and all the other relevant circumstances.

In a case like this which involves a car the other relevant circumstances would include things like the age and mileage at the time the car was supplied to Mrs C. The car here was about five years old and had completed about 79,000 miles. So, I think a reasonable person would expect parts of the car to have already suffered some wear and tear. But I don't think that can be said for the horn that Mrs C complains about. The horn is an important safety feature and must be functional for the car to be deemed roadworthy in an MOT. Whilst the inspector noted it was audible he did explain there was a vibration through the body of the vehicle when it was activated and that there may be a damaged diaphragm. He said it was likely the fault was present when the car was supplied to Mrs C.

It seems Moneybarn have accepted the independent inspector's opinion that the horn hasn't been working properly since the car was supplied and I think the evidence supports that view. In those circumstances the relevant legislation allows the business one opportunity to

repair the fault. But the legislation says that repair should be completed in a reasonable time and that can't be the case here as Mrs C has been waiting for a satisfactory resolution since Moneybarn said they'd fix the horn in their final response in December 2019. I think it was Moneybarn's duty to ensure the repair was completed on time and I don't think it's reasonable to put the onus on the consumer to arrange repairs when they've been provided with faulty goods.

So, I think this car hasn't been of satisfactory quality and as a repair hasn't been completed in a reasonable timeframe I think Moneybarn should now allow Mrs C to reject the car.

Putting things right

Moneybarn should collect the car at no cost to Mrs C and they should end the finance agreement.

Mrs C has been inconvenienced by these issues. She's had to take the car back to the dealership for repairs and she's been unreasonably expected to arrange repairs. It would have been inconvenient for her to have to escalate her complaint to this service and I therefore think Moneybarn should pay her £150 in respect of the distress and inconvenience caused.

I think the issues Mrs C has experienced with the car will have impacted on her enjoyment of it. Problems with the horn and the air conditioning will also have impacted on her use of the car. Whilst it's only fair for Mrs C to pay for the use she's had from the vehicle I think Moneybarn should provide a refund of 10% of all finance instalments she's paid in respect of the impaired use she's had and the loss of enjoyment she will have experienced. Moneybarn should add interest to that refund.

My final decision

For the reasons I've given above I uphold this complaint and tell Moneybarn No. 1 Limited to:

- end the finance agreement and collect the car at no cost to Mrs C;
- refund 10% of all finance instalments Mrs C has paid in respect of the impaired use and loss of enjoyment she's experienced. Add 8% simple interest per year to that refund from the date of payment to the date of settlement;
- pay Mrs C £150 compensation for the distress and inconvenience she's experienced.
- remove any adverse reports they may have made to the credit reference agencies about this agreement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 5 November 2021.

Phillip McMahon
Ombudsman