

## **The complaint**

Ms K 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.

Ms K 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.

There no longer seems to be a disagreement about whether the car here was of unsatisfactory quality. Moneybarn have accepted the independent inspector's view that the gearbox was most likely to have been faulty when the car was supplied. They've been prepared to pay some of the repair costs and have agreed with the supplying dealership that they will fund the balance. They've also agreed to pay Ms K £150 in respect of the distress and inconvenience she's been caused and to provide a hire car for up to 3 weeks whilst the repair is being completed.

The relevant legislation says that the business should be given an opportunity to repair a vehicle that is faulty at the point of supply. I'm persuaded by the independent engineer's report that this vehicle was likely to have been faulty when supplied and I would agree that Moneybarn should therefore arrange to have it repaired. I'm asking them to fund the cost of that repair. I understand they may have an agreement with the dealership to fund part of that

payment but that is a matter for them and not something Ms K should need to be concerned about. I'd also agree that the compensation Moneybarn have offered is reasonable in the circumstances.

Our investigator didn't think Moneybarn had done all they needed to. She didn't think Moneybarn had considered the monthly finance instalments Ms K was contracted to pay. She noted that no payments had been made by Ms K since the car broke down in March 2021 and she thought Moneybarn should waive payments from that date until the car was repaired as it was clear Ms K had no use of the car during that period. That seems sensible in the circumstances as it would not be fair for Ms K to be paying for a car she wasn't able to use.

I understand Ms K has raised issues with Moneybarn about mileage discrepancies and number plate changes. Moneybarn have offered to investigate this further if Ms K can provide some supporting evidence. It wasn't an issue that Moneybarn considered in their final response to Ms K on 29 March 2021, so I think that's a fair offer and not something I'll therefore be considering any further in this decision.

### **Putting things right**

Moneybarn will need to carry out the actions I've listed above in order to resolve this matter for Ms K

They should also ensure that any adverse reports they've made to Ms K's credit file are removed.

### **My final decision**

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

- Arrange to have the car repaired and at no cost to Ms K;
- pay Ms K a further £150 in respect of the distress and inconvenience she's been caused;
- waive any monthly finance instalments due from March 2021 until the car is repaired and Ms K is in possession of it. If any monthly finance instalments have been paid for this period, Moneybarn should refund them to Ms K adding 8% simple interest per year from the date of payment to the date of settlement;
- remove any adverse reports they may have made to Ms K's credit file in relation to this issue.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms K to accept or reject my decision before 3 January 2022.

Phillip McMahon  
**Ombudsman**