

The complaint

Mr M complains that a car he acquired on finance from Moneybarn No. 1 Limited was not of satisfactory quality.

What happened

In February 2021 Mr M entered into a four-year conditional sale agreement with Moneybarn. The agreement recorded that the car which was the subject of it had been first registered in 2013 and had a cash price attached to it of £5,590. According to the dealer's invoice, it had covered some 53,000 miles.

Mr M has explained that the car's reversing camera wasn't working when he collected it. The dealership gave him £200 in recognition of that. Within a short time, he had to replace the car's battery, at a cost of £159. He had the front brake pads replaced at a cost of £60.

Mr M says that he also noticed issues with the car's constant-velocity (or CV) joint, a front wheel bearing and wheel alignment. These issues would cost over £400 to have fixed.

The dealership closed down and so Mr M contacted Moneybarn for assistance. Moneybarn arranged for an independent inspection of the car. The inspection noted that the front brake pads and battery had been replaced but did not find any fault with the wheel bearing. The CV joint was worn, but the inspection concluded that this was most likely to be the result of wear and tear. Overall, the inspection report said that, whilst there were faults, these were consistent with the age and mileage of the car.

The inspection report also noted that there was a discrepancy in the car's registration details. The limited identity check which the inspector carried out suggested it had been first registered in 2017, not 2013.

Moneybarn did not agree that the car was not of satisfactory quality, but it did transfer £250 into Mr M's account. It said this was in respect of the battery and its handling of the complaint.

One of our investigators considered what had happened but took the view that the car had been of satisfactory quality when it was supplied to Mr M. She thought however that Moneybarn's handling of the complaint had not been satisfactory and recommended that Moneybarn pay Mr M £100 in recognition of that. Moneybarn did not respond to the investigator's assessment. Mr M did not accept it and asked that an ombudsman review the case.

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.

Under the Consumer Rights Act 2015 the conditional sale agreement was to be read as including a term that the car would be of satisfactory quality. That means the quality that a reasonable person would expect in all the circumstances – including, for example, the age,

price and mileage of the car.

The independent inspection report suggested that the car had been first registered in 2017, but the invoice and sale agreement both indicated it was 2013. Whilst there had been some confusion with the correct registration number, both indicated that the car was first registered in 2013. There seems to be no reason for the dealership to have said that a car registered in 2017 was registered in 2013. I think it likely therefore that this car was nearly eight years old when Mr M acquired it.

Taking the car's age, mileage and price into account, I would not have expected it to be fault-free. It would have been subject to wear and tear in a number of areas. It does not follow, therefore, that any fault would mean it was not of satisfactory quality.

The Consumer Rights Act says that, if an item is found not to have been of satisfactory quality within six months of delivery, it is for the supplier to show that it was of satisfactory quality at delivery. That does not mean, however, that a defect that arises within six months automatically means an item was not of satisfactory quality at delivery. That depends in part on whether the defect is one which would mean the item is not of satisfactory quality.

As far as the reversing camera is concerned, I note that Mr M identified this before he took delivery of the car and that the dealership paid him some compensation in respect of it. I understand that Mr M felt he had little choice but to accept that payment, but I do not believe it would be fair to require Moneybarn to compensate him further. I note too that Moneybarn has reimbursed Mr M for the cost of a new battery. I do not therefore need to consider that any further, since I think these issues have been fairly resolved.

As I have indicated, the independent inspection identified some faults with the car, in particular with the CV joint. The engineer concluded however that the faults identified were related to wear and tear and maintenance and that, whilst the car was not fault free, it was in a condition commensurate with its age and mileage. He did not consider that Moneybarn was responsible for the faults he identified.

Putting things right

The investigator thought there had been unnecessary delays in the handling of the complaint and recommended that Moneybarn pay Mr M a further £100 in recognition of that. I can make an award in recognition of any distress or material inconvenience if I determine a complaint in favour of the complainant. In this context, a complaint includes a complaint about the provision of financial services but does not include the handling of the complaint itself.

I note that Mr M did not accept the investigator's recommendation, and Moneybarn did not respond to it.

In the circumstances, therefore, I do not propose to make an award in line with the investigator's recommendation, but simply leave it to Moneybarn to decide whether to make an offer in line with that recommendation and, if it does, it is for Mr M to decide whether or not to accept it.

My final decision

For these reasons, my final decision is that I do not require Moneybarn No. 1 Limited to do anything more to resolve Mr M's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 3 February 2022.

Mike Ingram
Ombudsman