

## **The complaint**

Mr A is unhappy that a car supplied to him under a conditional sale agreement with Moneybarn No. 1 Limited was of an unsatisfactory quality.

## **What happened**

On 3 March 2020, Mr A was supplied with a used car through a conditional sale agreement with Moneybarn. The agreement was for £8,596 over 48 months; with 47 monthly repayments of £183. At the time the car was seven years old and had done more than 91,000 miles.

Mr A said he had issues with the car from the day he got it. He said the lights failed when he was driving it home from the supplying dealer. He returned to the dealer and they replaced the bulbs. But on his journey home he discovered the heating wasn't working.

Since then he said the brakes seized.

He said he's spent a lot of money having repairs done on the car, including replacing the heating matrix and the brakes.

He said in October 2020 he discovered that the car had a reconditioned engine and had an oil leak that he said would cost several thousand pounds to repair. He said he was told it was unsafe to drive.

He asked Moneybarn to take the car back and terminate the agreement.

Moneybarn said they didn't think the car was of an unsatisfactory quality when it was supplied to him. So, they didn't think they needed to do anything more. They said the faults were as a result of wear and tear. They said they couldn't inspect some of the issues because Mr A had arranged for "unauthorised" repairs. In relation to the engine, they said that some second hand cars are supplied with reconditioned or second hand parts and they didn't consider this to be a satisfactory quality issue.

Mr A had also complained to them that the car had been in an accident before he obtained it. Moneybarn said they'd completed an HPI check and this didn't record any total loss damage. They noted that the car may have been in an accident and repaired to a satisfactory standard.

Mr A stopped using the car, and in January 2021 he declared this through a SORN. In March 2021 Mr A asked to voluntarily terminate the agreement. This was done, and at the time the car was returned to Moneybarn it had done 104,290 miles.

Mr A wasn't happy with Moneybarn's response to his complaint, so he brought it to the Financial Ombudsman Service for investigation.

Our investigator was satisfied the car Moneybarn provided to Mr A was of a satisfactory quality. He acknowledged that the car had faults, but found the faults were what you would

expect to see across the lifetime of a vehicle.

Mr A didn't agree with the investigator. He's asked for an ombudsman 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.

Having done so, I've reached the same overall conclusions as the investigator, and for broadly the same reasons. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome.

In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and (if appropriate) what I consider was good industry practice at the time. Mr A was supplied with a car under a conditional sale agreement. This is a regulated consumer credit agreement which means we're able to look into complaints about it.

The Consumer Rights Act 2015 (CRA) says, amongst other things, that the car should've been of a satisfactory quality when supplied. And if it wasn't, as the supplier of goods, Moneybarn are responsible. What's satisfactory is determined by things such as what a reasonable person would consider satisfactory given the price, description, and other relevant circumstances. In a case like this, this would include things like the age and mileage at the time of sale.

Mr A complained of ongoing issues with the car, and I note that he had to take it back to the dealership on the day he collected it, because the lights failed. The dealer fixed the lights and it appears that the repair worked, as Mr A hasn't raised this matter again

Mr A complained about a number of issues with the car, including the heater matrix, the brakes, and a reconditioned engine.

I can see that Mr A is unhappy that he had to pay for new brakes. He feels that the problems with the brakes meant the car should not have passed the MOT. Both Moneybarn and our investigator explained to Mr A why we can't challenge the veracity of an MOT. But I can see that the MOT completed at the time he acquired the car noted that the front brake pads were wearing thin.

Mr A had the brakes checked in September 2020. In that time he'd done more than 8,500 miles – so it's reasonable to expect the brakes to have suffered from additional wear and tear and require replacing. But this doesn't mean they were faulty at the time of supply.

Mr A's had to pay for the heater matrix to be replaced. Moneybarn and our investigator both explained why this issue also falls into the category of wear and tear. The invoice shows the heater matrix was replaced in September 2020, when the car had covered 100,000 miles. Whilst it's a part that may last longer than seven years, it's a part that requires maintenance, so it can fail at this time and with this amount of mileage/usage. So I can't say that it was faulty at the time of sale, and I'm satisfied that it required replacement due to wear and tear.

I can understand Mr A's surprise when he discovered the car didn't have the original engine. But the fact that it had a reconditioned engine doesn't mean it wasn't of a satisfactory quality. I'm aware that Mr A covered more than 13,000 miles in the car. This wouldn't have been possible if the engine had been faulty when the car was supplied to him.

Mr A has also reported other issues, including the oil leak and the accident damage. Having reviewed the available evidence and thinking about the type of issues, I'm not persuaded that the faults were present at the point of supply, or that the car wasn't of satisfactory quality when supplied. I appreciate this will come as a disappointment to Mr A, but I won't be asking Moneybarn to do anything further.

I note that Mr A has now returned the car to Moneybarn and voluntarily terminated the agreement. The agreement he entered into had a termination clause that set out his right to terminate. This is a right granted under the Consumer Credit Act 1974, and allows him to return the car if he's paid at least 50% of the total amount payable. The agreement confirms this amount was £4,298. Moneybarn have notified Mr A that he owes £2,103 to bring the account up to 50% of the total amount payable. I think this is reasonable.

### **My final decision**

For the reasons explained, I don't uphold Mr A's complaint about Moneybarn No. 1 Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 28 June 2022.

Gordon Ramsay  
**Ombudsman**