

## **The complaint**

Mr R complains about the quality of a car he 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.

Mr R acquired his 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 Mr R. The car here was about seven years old and had already completed about 77,200 miles. Whilst I think a reasonable person would expect some wear and tear on a car of that age and mileage I don't think they'd expect to experience the sort of problems Mr R has. For instance, I don't think they'd expect to replace the brakes or the exhaust system in the first few weeks of driving.

The relevant legislation explains that if the fault occurs within the first six months we are to assume it was present at the point of supply, when Moneybarn were responsible for the car's quality, unless Moneybarn can demonstrate otherwise. Moneybarn and the dealership have taken responsibility for those faults and have completed repairs for Mr R. The independent report that was completed in May 2021 has confirmed that no faults remained at that point so I don't think there's any additional work that it would be fair to ask Moneybarn to

complete.

However, Mr R was without his car for about a month in March/April 2021. He says he wasn't provided with a courtesy car and Moneybarn haven't provided any evidence to suggest Mr R's assertions are wrong. Moneybarn have suggested that as Mr R is not hiring the car but seeking in the long term to buy it, then it would not be fair to refund a monthly instalment. I disagree, it's not fair for Mr R to have been paying for a car he had no use of.

### **Putting things right**

Moneybarn should refund one monthly instalment in respect of the lack of use Mr R has had from the car. They should add 8% interest to that refund as Mr R has been deprived of that money.

Mr R has also been inconvenienced by these matters. He's had to take the car back for repairs and has had to escalate his complaint to this service when I think it could have been resolved earlier. In those circumstances I would agree with our investigator that Moneybarn should pay Mr R £100 compensation.

### **My final decision**

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

- Refund one monthly finance instalment to Mr R in respect of the lack of use he's experienced. Add 8% simple interest per year to that refund from the date of payment to the date of settlement.
- Pay Mr R £100 to compensate him for the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 11 January 2022.

Phillip McMahon  
**Ombudsman**