

## **The complaint**

Mrs M complains that a car acquired with finance from Moneybarn No 1 Limited wasn't of satisfactory quality.

## **What happened**

In September 2021 Mrs M was supplied with a car and entered into a conditional sale agreement with Moneybarn.

Mrs M experienced issues with the car, which she reported to Moneybarn in October 2021. The issues included:

Battery required replacement

Car sluggish and extreme force had to be applied to the accelerator which created excessive noise

Car had to stop/start frequently

Engine management light illuminated

Mrs M told Moneybarn that she didn't feel safe driving the car and that she wanted to reject it.

The car was returned to the dealership, who carried out repairs and told Moneybarn that the car was driveable. Mrs M told Moneybarn that she hadn't wanted the car to be repaired as she had already requested to reject it.

Moneybarn arranged an independent inspection of the car. The inspector was unable to find any faults. Based on the findings of the inspection, Moneybarn said it wasn't upholding Mrs M's complaint. It offered her £50 for its delayed response to her complaint.

Mrs M remained unhappy and complained to this service.

Our investigator upheld the complaint. She said she was satisfied that there was a fault with the car and that the car wasn't of satisfactory quality when supplied. The investigator said that Mrs M had asserted her short term right to reject the car within the first 30 days and that it was fair to allow Mrs M to reject the car.

Moneybarn didn't respond to the investigator's view so I've been asked 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.

The Consumer Rights Act 2015 is relevant to this complaint. This says that goods must be of

satisfactory quality when supplied. Cars are of satisfactory quality if they are of a standard that a reasonable person would regard as acceptable, taking into account factors such as the age and mileage of the car and the price paid. The legislation says that the quality of the goods includes their general condition, and other things including fitness for purpose, appearance and finish, freedom from minor defects, safety and durability.

At the point of supply, the car was around 6 years old and had covered around 78,000 miles. I'd expect a second hand car to have a degree of wear and tear and to require repairs and maintenance more often than a brand new car.

Based on what I've seen, I think it's likely that there is a fault with the car. One of the faults related to the battery, which has been replaced. Mrs M has described other faults including the car being sluggish and the engine management light illuminating.

The essence of Mrs M's complaint is that, having reported the faults to Moneybarn and requested to exercise her short term right to reject within 30 days, the rejection didn't happen. Mrs M has said that Moneybarn confirmed rejection of the car. I can see from the information provided by Moneybarn that it sent an email to the broker requesting an update because it wanted to confirm to Mrs M that the rejection had been agreed. I can't see that the broker replied to Moneybarn. But based on what I have seen, I'm satisfied that Moneybarn was looking to accept rejection of the car. It looks as if the dealer accepted rejection but then changed its mind and carried out repairs instead. I can't be certain of why the dealer did this, but there's some information to suggest that the dealer had spent money repairing the car that Mrs M had part exchanged and that the relationship between the dealer and Mrs M broke down as a result of this.

Based on the information I've seen, I don't think the car was of satisfactory quality when it was supplied. There's strong evidence to suggest that Mrs M exercised her short term right to reject the car and that Moneybarn accepted this. So even though repairs were carried out later on, and even though the independent inspection found no faults, I don't think the car was of satisfactory quality when it was supplied and I think Mrs M should be allowed to exercise her short term right to reject.

### **Putting things right**

To put things right, Moneybarn should allow Mrs M to reject the car.

Mrs M hasn't used the car since 28 October 2021. She's explained that because of the issues with the car, she doesn't feel safe driving it. I don't think it was unreasonable for Mrs M to stop driving the car, and I don't think it's fair that she should be expected to make payments for a car she isn't using.

Mrs M has told this service that she voluntarily surrendered the car and that it will be sold at auction.

I've considered the impact that all of this has had on Mrs M. She's explained that she experienced anxiety whilst driving the car and was upset by how the dealer behaved. The key point here is that Mrs M should have been allowed to reject the car when she requested to do so within the first 30 days. As a result, Mrs M had experienced a longer period of distress and inconvenience than she should have done. Moneybarn offered £50 compensation for any anxiety caused but I don't think this adequately reflects the distress and inconvenience caused to Mrs M. The compensation should be increased to £150 (including the £50 already paid).

**My final decision**

My final decision is that I uphold the complaint. Moneybarn No 1 Limited must:

End the agreement with nothing further to pay

Arrange to collect the car at no cost to Mrs M

Refund all payments made since 28 October 2021 plus 8% simple interest per annum from the date of payment to the date of settlement

Pay £150 compensation for distress and inconvenience

Remove any adverse information from Mrs M's credit file in relation to the agreement

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 2 May 2022.

Emma Davy  
**Ombudsman**