

The complaint

Mr W complains that a car supplied under a conditional sale agreement by Moneybarn No. 1 Limited was not of satisfactory quality.

What happened

In January 2021 Mr W entered into a five-year conditional sale agreement with Moneybarn for a used car. The car was seven years old and had covered nearly 104,000 miles. It cost £5,990.

In April 2021 Mr W had the car serviced. The service included a diagnostics check and cleaning of the diesel particulate filter.

In August 2021 Mr W noticed a knocking sound coming from the engine. Unable to resolve the issue, he raised it with Moneybarn. Further investigation indicated the noise was coming from one of the cylinder heads, but that the engine would need to be dismantled to establish the exact cause. In September 2021 the car broke down.

Moneybarn was unable to deal with Mr W's complaint promptly and referred him to this service. Later, it suggested that an independent inspection be carried out; that took place in early December 2021. It confirmed that the likely cause of the knocking sound was a failure of a piston or crankshaft bearing. The inspecting engineer did not however believe that the fault had been present or developing when the car was delivered to Mr W. Moneybarn did not consider therefore that it was liable to Mr W.

Mr W referred the matter to this service and one of our investigators considered his complaint. He was not persuaded that the car was of unsatisfactory quality at delivery and so did not recommend that the complaint be upheld.

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 conditional sale agreement was to be read as including a term that the car would be of satisfactory quality. That means the quality a reasonable person would expect in all the circumstances – including its age, price and mileage.

The car in this case was seven years old and had a very high mileage. Its price was significantly lower than the price of a similar new car. I think most people would expect it to need some work during – and possibly quite significant work – during the course of the conditional sale agreement.

The independent inspection report concluded that the faults most likely developed after Mr W had taken delivery of the car, and it noted that he had driven it around 4,000 miles since delivery.

Satisfactory quality does cover matters of wear and tear. What is wear and tear depends on

a number of factors, but I think the mileage and age of the car – even at the point when Mr W took delivery – is significant here. Whilst many vehicles can, and do, continue without problems for longer than this one, I think that the problems here can be put down to age and use of the car. I am not persuaded that the car was not of satisfactory quality. It follows that I cannot properly uphold Mr W's complaint.

My final decision

For these reasons my final decision is that I do not require Moneybarn No. 1 Limited to take any further steps to resolve Mr W's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 19 May 2022.

Mike Ingram

Ombudsman