

## **The complaint**

Mr L complains that Moneybarn No 1 Ltd refused to let him reject a faulty car.

## **What happened**

In July 2020 Mr L acquired a car costing £6,990. It was some nine years old and had covered some 53,882 miles. The car needed some repairs so collection was delayed a couple of weeks. Within a month the car suffered a leak and Mr L took it back to the dealer which was some considerable distance away. I gather he did so on three occasions.

He was unsure what work had been done as the mechanic was taken ill and no job cards were given to him. Mr L made a complaint to Moneybarn in the autumn of 2020 and this was resolved with repairs carried out by a third-party garage. The repairs addressed issue with the coolant and the heater. Mr L explained that the car had been with the dealer and overall, he had been without it for some two months. Mr L had made no payments and Moneybarn paid him compensation of £75 for the inconvenience.

Mr L complained again in March 2021 and it arranged for an independent report to be carried out. This showed that Mr L had covered some 7,500 miles in the car and the inspector concluded the faults were unlikely to have been present at the point of sale. He said they were most likely to have been due to wear and tear.

Mr L remained unhappy and so he brought his complaint to this service where it was considered by one of our investigators who recommended it be upheld in part. He didn't consider there was sufficient evidence to show the car was faulty at the point of sale. He noted the mileage covered by Mr L and he thought if the car had suffered from faults when it was old these would have emerged before Mr L could do over 7,500 miles. However, he felt Moneybarn should cover Mr L's travel costs for his return journeys to the dealer to have the car repaired.

## **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.

In considering what is fair and reasonable, I need to have regard to the relevant law and regulations, regulator's rules, guidance and standards and codes of practice and (where appropriate) what I consider to have been good industry practice at the time.

The finance agreement in this case is a regulated consumer credit agreement. As such this service is able to consider complaints relating to it. Moneybarn is also the supplier of the goods under this type of agreement, and responsible for a complaint about their quality.

The relevant law says that under a contract to supply goods, there is an implied term that *"the quality of the goods is satisfactory"*.

The relevant law says that the quality of the goods is satisfactory if they meet the standard

that a reasonable person would consider satisfactory taking into account any description of the goods, price and all other relevant circumstances. So it seems likely that in a case involving a car, the other relevant circumstances a court would take into account might include things like the age and the mileage at the time of sale and the vehicle's history.

Under the relevant law the quality of the goods includes their general state and condition and other things like their fitness for purpose, appearance and finish, freedom from minor defects, safety, and durability can be aspects of the quality of the goods.

The car was quite elderly, though the mileage was below average. I have noted that it passed its MOT at the time of the sale in July 2020. While that does not cover everything, I suspect the fault which it currently seems to be suffering from would have come to light.

I have noted Mr L says he hadn't made his mind up as to which car he wanted to buy and he was surprised to be notified that his loan agreement had commenced, I find that rather unusual in that Mr L signed the agreement and so I would have expected him to have identified the car he wanted. He says he was told that he would have to collect the car and he could reject it later. Moneybarn says it has no record of him or the broker making contact at the outset about rejection of the car.

It is clear there were some issues with the car, but these appear to have been repaired by the dealer and a third party. However, some months later further issues arose. What I have to be able to conclude if I am to uphold this complaint is that the later faults were present at the point of sale. I cannot say that, based on the evidence I have seen.

I need good evidence if I am to overturn the report by an independent inspector. He agrees there are issues with the car but has concluded that these have arisen due to wear and tear since the point of sale. Combined with the MOT and the fact Mr L has been able to drive the car for over 7,500 miles I cannot safely conclude that it was faulty at the point of sale.

However, I agree with our investigator that Mr L's costs for taking the car to the dealer should be refunded.

### **Putting things right**

Moneybarn should cover Mr L's travel costs.

### **My final decision**

My final decision is that I uphold this complaint in part and I direct Moneybarn No 1 Ltd to cover the costs Mr L met when taking the car back to the dealer subject to it receiving evidence.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 12 May 2022.

Ivor Graham  
**Ombudsman**