

The complaint

Mr M 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 M 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 M. This car had already completed a high mileage and was about six and a half years old. So, I think a reasonable person would expect it to be exhibiting quite a bit of wear and tear. But I don't think a reasonable person would expect the undertray to be hanging off or the gear lever to be broken. Neither do I think they'd expect the oil light to be showing at 16% immediately after an oil change or the windscreen wipers to be damaged after the pre-sale MOT.

The relevant legislation explains that if faults occur within the first six months after supply we are to assume they were present at the point of supply, when Moneybarn were responsible for the car's quality, unless they can demonstrate otherwise.

Mr M has provided photographs to show that the loose undertray; broken gear lever and low oil level indication were present very soon after the car was supplied to him and Moneybarn haven't provided information to dispute that. So, I'm persuaded those faults were present when the car was supplied, and I think that means the car wasn't of satisfactory quality at that point.

Whilst I can see that Mr M changed the wiper blades shortly after he took receipt of the car, I have no evidence to demonstrate why that was necessary or what condition the blades were in. As the car passed its MOT shortly before it was supplied to Mr M it would seem likely that the wiper blades were working okay at that time. I'm therefore not asking Moneybarn to refund the cost of the wipers.

Putting things right

The relevant legislation gives Moneybarn one opportunity to repair the car and I don't think they've had that.

So Moneybarn should arrange to repair the undertray and fix the gear lever and they should also check the oil level and ensure the level indicator is reset for Mr M. As Mr M lives some way from the dealership I think it's fair for him to provide quotes for the work to Moneybarn to have the work done locally.

Mr M has been inconvenienced by this issue. He's had to chase the dealership and Moneybarn for responses and he's had to escalate his complaint to this service when I think the matter could have been resolved earlier. In the circumstances I think Moneybarn should pay Mr M £50 to compensate him for that inconvenience.

Mr M has had to drive a car that had some faults whilst he's been waiting for a resolution. His use has been impaired, and I would agree with the investigator that the business should therefore refund 25% of any finance instalments paid until the repair is completed and in respect of that impaired use.

My final decision

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

- Review quotes for repair from Mr M and pay the appointed garage when work is completed.
- Refund 25% of the finance instalments paid from the date of inception of the agreement until the car is repaired. Add 8% simple interest per year to that refund from the date of payment to the date of repair as Mr M has been deprived of that money.
- Pay Mr M £50 to compensate him for the distress and inconvenience he's experienced.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 24 May 2022.

Phillip McMahon

Ombudsman