

## **The complaint**

Miss S complains that a car that was supplied to her under a conditional sale agreement with Moneybarn No. 1 Limited wasn't of satisfactory quality.

## **What happened**

A used car was supplied to Miss S under a conditional sale agreement with Moneybarn that she electronically signed in September 2021. There were some issues with the car knocking and overheating within a few days of it being supplied to her so she returned it to the dealer. A wishbone was replaced by the dealer but it couldn't identify an overheating fault. Miss S left the car with the dealer and complained to Moneybarn. She said in November 2021 that she wanted it to unwind the agreement.

Moneybarn arranged for the car to be inspected by an independent expert and then asked her to collect the repaired car, but it also offered to pay for another independent inspection of the car to reassure her. It asked her to contact it about the arrears on her account and said that the arrears could affect her credit file. It also paid her £150 for the distress and inconvenience caused due to the delay in resolving her complaint. Miss S wasn't satisfied with its response so complained to this service.

Our investigator recommended that her complaint should be upheld in part. He thought that the car wasn't of satisfactory quality when supplied, but repairs had taken place which had resolved the issue which was a fair remedy so he didn't think that rejection was a fair outcome. He said that the distress and inconvenience that Miss S had experienced justified a further £100 compensation.

Moneybarn has accepted that recommendation but Miss S has asked for her complaint to be considered by an ombudsman. She says that she's had a bad experience and won't take the car back. She says that she's been paying to use another car so hasn't paid for this car as she hasn't had it or used it and that her circumstances have changed and she can't afford the car.

## **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.

Having done so, I agree with the outcome recommended by our investigator for these reasons:

- Moneybarn, as the supplier of the car, was responsible for ensuring that it was of satisfactory quality when it was supplied to Miss S - whether or not it was of satisfactory quality at that time will depend on a number of factors, including the age and mileage of the car and the price that was paid for it;
- the car that was supplied to Miss S was about seven years old, had been driven for nearly 39,000 miles and had a price of £8,610;

- satisfactory quality also covers durability which means that the components within the car must be durable and last a reasonable amount of time – but exactly how long that time is will also depend on a number of factors;
- the car had passed an MOT test in September 2021, before it was supplied to Miss S, and its mileage was recorded as 38,911;
- Miss S had some issues with the car knocking and overheating within a few days of it being supplied to her so she returned it to the dealer – it replaced a wishbone but couldn't identify an overheating fault;
- Miss S has provided a photo showing an “engine failure hazard” warning on the car which she says was caused by the overheating issue so she left the car with the dealer and complained to Moneybarn and she asked it to unwind the agreement in November 2021;
- Moneybarn arranged for the car to be inspected by an independent expert later that month – the inspection report shows the car's mileage as 40,289 and concluded:

*“At the time of inspection the vehicle's overall general condition was in line the vehicle's age and reported mileage, with no major issues noted at the time of inspection with only one minor issue being the TPMS warning light displayed on the driver's panel. The vehicle had no evidence of overheating, and the engine and transmission performance was as expected and there was no evidence of coolant or oil leakage in and around the engine bay or on the underside of the vehicle”;*

- “TPMS” is the tyre pressure monitoring system and a tyre pressure issue isn't likely to cause the car to overheat or be an engine failure hazard;
- Moneybarn then asked Miss S to collect the repaired car, but it also offered to pay for another independent inspection of the car to reassure her – she didn't collect the car and no further inspection has taken place;
- I'm not persuaded that there's enough evidence to show that there's an issue with the car overheating and I'm satisfied that the replacement wishbone has remedied the knocking issue – so although I consider it to be likely that the car wasn't of satisfactory quality when it was supplied to Miss S, the issue with it has been repaired and the independent expert found no major issues with the car;
- Miss S made an advance payment of £1,100 and signed the conditional sale agreement in which she agreed to make 59 monthly payments of £263.69 for the car to be supplied to her;
- I sympathise with Miss S for the issues that she's had with the car, but I don't consider that she has a right to reject the car and I'm not persuaded that it would be fair or reasonable in these circumstances for Miss S to be able to reject the car;
- I understand that the car remains available for Miss S to collect from the dealer – she says that she won't take the car back or pay for it and would rather go to court – but that is likely to have significant adverse consequences for her so I suggest that she now collects the car from the dealer; and
- Miss S's account is in arrears and I sympathise with her for the financial difficulties that she's experiencing but I suggest that she contacts Moneybarn to discuss those difficulties and the arrears on her account – it's required to respond to her financial difficulties positively and sympathetically.

### **Putting things right**

Moneybarn has paid £150 compensation to Miss S for the distress and inconvenience that she was caused. Our investigator recommended that it should pay her a further £100 compensation for her distress and inconvenience and it has agreed to do so. I find that it would be fair and reasonable for it pay her the £100 compensation recommended by our investigator. I'm not persuaded that it would be fair or reasonable for me to require it to pay her any other compensation or to take any other action in response to her complaint.

### **My final decision**

My decision is that I uphold Miss S's complaint in part and I order Moneybarn No. 1 Limited to pay her a further £100 to compensate her for the distress and inconvenience that she's been caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 16 June 2022.

Jarrold Hastings  
**Ombudsman**