

The complaint

Miss L 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 L under a conditional sale agreement with Moneybarn that she electronically signed in June 2021. She says that she complained to the dealer about some issues with the car which I understand it repaired. She says that the car's engine seized in December 2021 and it was recovered to a garage which said that the timing chain had jumped resulting in internal engine damage. Miss L complained to Moneybarn and it arranged for the car to be inspected by an independent expert.

Moneybarn then said that it was confident that the car was of satisfactory quality when it was supplied to Miss L so it would be unable to assist with the repair costs. It said that she should collect the car from the garage, settle any invoices and contact its customer services team if she wanted to discuss her agreement. Miss L wasn't satisfied with its response so complained to this service.

Our investigator didn't recommend that her complaint should be upheld. She didn't think that it was likely that there was a fault with the timing chain at the point of supply. She thought that the car was of satisfactory quality when it was supplied so she didn't think it would be fair to ask Moneybarn to do anything more to resolve Miss L's complaint.

Miss L has asked for her complaint to be considered by an ombudsman. She says that the timing chain should have been replaced before the car was supplied to her, the dealer should have checked the service history and serviced the car to make sure that it was fit for sale and it's not reasonable to expect there to be some damage to the engine. She says that it's awful that she's been left this long for it all to be sorted out and she's had to pay for public transport because she has no car, all of which has caused her distress. She says that the car had to go back to the dealer after a few weeks and the dealer ignored her and caused her a wasted journey.

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 L - 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 L was about seven years old, had been driven for 102,853 miles and had a price of £6,074;

- 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;
- Miss L says that there were some issues with the car soon after it was supplied to her so she returned the car to the dealer – but I understand that those issues were repaired and I've seen no evidence to show that she complained to Moneybarn about those issues at that time;
- the car's engine seized in December 2021, about six months after the car was supplied to her, and it was recovered to a garage - the car's mileage at that time was 106,252 miles – so Miss L had been able to drive the car for more than 3,000 miles since it was supplied to her;
- the garage said that the timing chain had jumped multiple teeth which had resulted in internal engine damage and it estimated that the repair cost would be between £2,800 and £4,000;
- Miss L complained to Moneybarn and it arranged for the car to be inspected by an independent expert in February 2022;
- the expert's report said: *"... the engine locked up halfway when attempted to rotate the engine manually, possibly due to valve to piston contact however further dismantling will be required, the cylinder head will require removal to confirm the exact cause. We do suspect that this is due to possible timing chain jumping due to wear and deterioration which we would consider to be commensurate with a vehicle of this age and mileage ... Taking into consideration the time and mileage covered by the vehicle since the point of finance inception we do not consider these issues to have been present or developing at that point and not subject to failure and not subject to failed previous repairs and the selling agent/previous repairer is not responsible for the costs";*
- I don't consider that it's likely that Miss L would have been able to drive the car for more than 3,000 miles in about six months if it had been faulty when it was supplied to her – I consider that the damage occurred when the engine failed in December 2021 and I'm not persuaded that there's enough evidence to show that the engine was faulty when the car was supplied to Miss L;
- I don't consider that the dealer was required to replace the timing chain before the car was supplied to Miss L but the car's mileage at that time was more than 100,000 miles so I consider that it's reasonable to expect that more issues would develop on the car than would be expected for a car with a lower mileage;
- the car was advertised with a mileage of 98,000 but the invoice and the conditional sale agreement both show that the car's mileage was 102,853 so I consider that Miss L was aware, or ought reasonably to have been aware, of the car's mileage when she entered into the conditional sale agreement;
- I'm not persuaded that there's enough evidence to show that the car wasn't of satisfactory quality when it was supplied to Miss L and I consider that Moneybarn has responded fairly and reasonably to her complaint; and
- I sympathise with Miss L for the issues that she's had with the car and the repair costs that she faces, but I find that it wouldn't be fair or reasonable in these circumstances for me to require Moneybarn to pay for the car to be repaired, to end the conditional sale agreement, to pay any compensation to Miss L or to take any other action in response to her complaint.

I suggest that Miss L contacts Moneybarn to discuss her options under the agreement and to either settle any arrears on her account or to try to agree an affordable repayment arrangement with it for any amount that she owes it. If she's experiencing financial difficulties, she should explain those difficulties to Moneybarn. It's required to respond to any financial difficulties that she's experiencing positively and sympathetically.

My final decision

My decision is that I don't uphold Miss L's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss L to accept or reject my decision before 6 September 2022.

Jarrold Hastings
Ombudsman