

The complaint

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

What happened

I issued a provisional decision on this complaint in June 2022 in which I described what had happened as follows:

"A used car was supplied to Mrs S under a conditional sale agreement with Moneybarn that she electronically signed in October 2020. She had some issues with the car within a week of it being supplied to her which were dealt with by the dealer. She had some other issues with the car in February 2021 so she complained to Moneybarn and she took the car to a garage which repaired the car at the cost of the dealer. She complained to Moneybarn that an engine management warning light had returned in May 2021.

Moneybarn arranged for the car to be inspected by an independent expert in June 2021 and a defect with the diesel particulate filter was identified. Moneybarn upheld her complaint as the dealer had accepted responsibility for the initial problem but said that the diesel articulate filter was a wear and tear issue.

Mrs S had a further issue with an engine management warning light in July 2021 so she complained to Moneybarn again and she also complained to this service. Moneybarn arranged another independent inspection of the car which confirmed that there was a fault code which pertained to the diesel particulate filter operation.

Our investigator recommended that Mrs S's complaint should be upheld. He said that it seemed likely that there was a fault with the car as the inspection report had confirmed an issue with the diesel particulate filter and Mrs S had advised of ongoing engine management warning light issues. He thought that the car wasn't of satisfactory quality when it was supplied to Mrs S and that it was now fair for her to be able to reject the car.

He recommended that Moneybarn should: end the agreement and collect the car; refund Mrs S's deposit of £3,000 with interest; pay her £150 for any distress or inconvenience that's been caused; and remove any adverse information from Mrs S's credit file in relation to the agreement. He also said that if Mrs S wanted to remain in the car Moneybarn should pay for a replacement diesel particulate filter.

Moneybarn has accepted those recommendations but Mrs S says that the car's been repaired, for which she paid £576 and she'd prefer to keep it due to issues with her credit score".

I set out my provisional findings in that provisional decision which were that this complaint should be upheld 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 Mrs 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 Mrs S was more than six years old, had been driven for 91,950 miles and had a price of £8,000;
- 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;
- it's clear that there were some issues with the car soon after it was supplied to Mrs S and again in February 2021 – and the car needed a new fuel vaporiser and a diesel particulate filter regeneration;
- those issues were repaired but, after the repair in May 2021, there was another engine management warning light – the car was then inspected by an independent expert in June 2021 and a defect with the diesel particulate filter was identified – the car's mileage was recorded as 94,709 miles in the inspection report;
- Moneybarn upheld Mrs S's complaint because of the initial issues with the car which had been repaired but said that the diesel particulate filter was a wear and tear issue;
- Mrs S complained to it about another engine management light issue in July 2021 and Moneybarn arranged another independent inspection of the car;
- the inspection report confirmed that there was a fault code pertaining to the diesel particulate filter operation and recorded the car's mileage as 95,199 miles;
- the diesel particulate filter was regenerated in May 2021 but the independent expert identified a defect with it in June 2021 and the inspection in July 2021 confirmed that there was a fault code pertaining to the diesel particulate filter operation;
- although the car was more than six years old and had a mileage of 91,950 miles when it was supplied to Mrs S, I don't consider that it's reasonable to expect a car that was supplied under a conditional sale agreement to have ongoing issues with its diesel particulate filter and engine management warning light that started about three months after the car was supplied;
- I consider it to be more likely than not that those issues were present or developing when the car was supplied to Mrs S and I consider that the car wasn't of satisfactory quality at that time;
- the diesel particulate filter has been regenerated and other repairs have been made to the car – and I don't consider that the fault with the diesel particulate filter is a wear and tear issue;
- Mrs S paid £576 in May 2022 for repairs to the car which included removing and cleaning all sensors, sending the car for a nitrogen deep clean and regenerating the diesel particulate filter – the car's mileage was recorded at that time as 98,398 miles;
- Moneybarn accepted our investigator's recommendation that Mrs S should be able to reject the car but she says that she'd prefer to keep it and to be reimbursed for the repair costs;
- I consider that it's fair and reasonable in these circumstances for Mrs S to keep the car and for Moneybarn to pay her £576 to reimburse her those repair costs; and
- these events have clearly caused distress and inconvenience for Mrs S and I find that it would also be fair and reasonable for Moneybarn to pay her £150 to compensate her for that distress and inconvenience.

Both Mrs S and Moneybarn have said that they have nothing further to add.

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.

As both Mrs S and Moneybarn have said that they have nothing further to add, I see no reason to change the findings that I set out in my provisional decision.

Putting things right

I find that it would be fair and reasonable for Moneybarn to take the actions described in my provisional decision and as set out below.

My final decision

My decision is that I uphold Mrs S's complaint and I order Moneybarn No. 1 Limited, trading as Moneybarn, to:

1. Pay £576 to Mrs S to reimburse her for the repair costs that she incurred in May 2022.
2. Pay £150 to Mrs S 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 Mrs S to accept or reject my decision before 9 August 2022.

Jarrold Hastings
Ombudsman