

The complaint

Mr C complains about the quality of a vehicle he financed with Moneybarn No.1 Limited.

What happened

In January 2022 Mr C entered a conditional sale agreement with Moneybarn for a van that was almost seven years old and had travelled 115,478 miles. The cash price was £9,259 and the loan was repayable over 60 months.

Mr C says that when he took delivery of the van on 8 January 2022, he noticed the following issues;

- engine leaking
- damage to back bumper
- issue when reversing
- back door doesn't open from the outside
- drivers' door window doesn't work properly
- engine noise
- issue with ignition barrel

Mr C says he was unable to report the issues when he first took delivery of the van because he underwent a major operation on 19 January 2022. When he was feeling better, he got in touch with Moneybarn on 21 March 2022 to report the problems.

Moneybarn arranged for the van to be inspected in September 2022, at the time the mileage was recorded as 117,539 miles. The engineer confirmed many of the issues Mr C raised (with exception to the window issue and reversing problem). The engineer was unable to test drive the van due to a power steering fault, but in the engineer's opinion only the ignition barrel fault would have been present or developing at the point of supply. Because of this Moneybarn didn't allow Mr C to reject the van and said it was fair for the dealership to repair the ignition barrel fault.

Moneybarn arranged for the van to be returned to the dealership and collected, due to the distance from Mr C's address. The dealership repaired the ignition barrel on 21 September 2022, Mr C says the outstanding faults shows that the van was not of satisfactory quality when he got it, he wants to be able to reject it.

Mr C complained to Moneybarn, there was a delay in it responding to his complaint so it apologised and paid Mr C £75 compensation to reflect this. It didn't think it was responsible for any of the outstanding faults. Unhappy with this outcome, Mr C brought his complaint to this service. Our investigator didn't uphold the complaint. He thought it was fair that the dealership had repaired the ignition barrel fault but didn't think Moneybarn were responsible for repairing the outstanding issues. The investigator thought the outstanding faults were likely to be due to wear and tear, given the age and mileage of the van.

Mr C disagreed, he asked for an ombudsman to make a final 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.

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 to reach what I think is the right outcome.

Mr C acquired his van under a conditional sale agreement. This is a regulated consumer credit agreement and as a result our service can look into complaints about it.

The Consumer Rights Act 2015 (CRA) says, amongst other things, that the van should've been of a satisfactory quality when supplied. And if it wasn't, as the supplier of goods, Moneybarn is responsible. What's satisfactory is determined by things such as what a reasonable person would consider satisfactory given the price, description, and other relevant circumstances. In a case like this, this would include things like the age and mileage at the time of sale, and the vehicle's history and its durability.

The CRA also says that goods must conform to contract within the first six months. So, it's assumed that the goods didn't conform to the contract when supplied unless the business does something to prove any problems are likely due to a reason other than the goods not conforming to the contract when supplied - such as usually expected wear and tear or accidental damage/lack of maintenance. So, if I thought the van was faulty when Mr C took possession of it, and this made it not of a satisfactory quality, it'd be fair and reasonable to ask Moneybarn to put this right.

Mr C says he experienced issues with the van shortly after delivery. The first evidence we have of Mr C reporting the problems with the van was three months after it was supplied. And whilst I accept that Mr C underwent surgery and was focusing on his recovery, I have to take into account that the van managed to travel around 2,000 miles before it was inspected, so I don't think it is clear here, that the faults were present at the point of supply.

Vehicles are complicated machines and there are lots of things that can cause one to go wrong within three months of supply. When Mr C took possession of the van, it was more than six years old and had over 115,000 miles on the clock, and the price he paid reflected this. I'd expect to see wear and tear in a vehicle of that age and high mileage. And I think any reasonable person would expect components to need replacing or repair much sooner than with a younger, lower mileage vehicle. So just because a fault occurs shortly after supply doesn't mean I can assume it was present at the point of supply. Also, it's not enough simply for a fault to be present. The vehicle would need to be of unsatisfactory quality because of the fault too.

As the faults were reported within six months, it is assumed the van wasn't of satisfactory quality when it was supplied, unless Moneybarn proves otherwise. And I think it has done this; The engineer confirmed most of the faults reported by Mr C (except for the window and reverse issues) and found an additional problem with the power steering but concluded that with exception to ignition barrel fault, none of the other issues would have been present or developing at the point of supply.

The engineer is the expert and independent of both Moneybarn and Mr C. And I'm satisfied that it's reasonable to rely on the engineers' conclusions – that the outstanding faults were not present at the point of sale or due to wear and tear.

The ignition barrel was repaired on 21 September 2022, and I haven't seen anything to show that this repair failed or wasn't satisfactory. Mr C hasn't provided anything, such as a report from a garage, to say that the outstanding faults were present when the van was supplied. And in the absence of anything to the contrary, I think it's more likely than not that those outstanding faults are expected wear and tear, given the age and high mileage of the van.

In the circumstances I don't think the outstanding faults mean the van was of unsatisfactory quality when it was supplied to Mr C. And whilst I sympathise with Mr C's situation, I don't have any grounds to direct Moneybarn to cover the cost of repairing the outstanding issues or to ask it to allow him to reject the van. Moneybarn agreed to pay Mr C £75 compensation for the delay in responding to his complaint, in the circumstances I think this is fair and I don't require Moneybarn to take any further action, with respect to this complaint.

This decision is the final stage of our process, so we won't be able to comment further, and if Mr C doesn't accept my decision, he is free to pursue this matter through the courts, if he wishes to.

My final decision

My final decision is I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 1 March 2023.

Karen Dennis
Ombudsman