

## **The complaint**

Mr B complains that a car he acquired via a conditional sale agreement with Moneybarn No.1 Limited wasn't of satisfactory quality.

## **What happened**

In October 2021 Mr B entered into a 3-year conditional sale agreement for a used car with Moneybarn. The car was around seven and half years old and had a mileage of about 41,500.

In November 2021 Mr B experienced a knocking noise from under the car so took it to his local garage and had both front springs replaced at his own expense. Mr B says the garage advised him that the car had excessive corrosion on the underside and had also said they thought it would be unlikely to pass an MOT in the future. Photos of the underside were taken.

Mr B complained to Moneybarn about the corrosion as well as the state of the shock absorbers and track end rods. Mr B explained that he had to change the front springs and asked to reject the car due to its condition.

The car was taken back to the supplying dealer who agreed to replace the steering and track rod ends under the warranty. However, the dealer said the corrosion was only surface rust and so not a concern. They said the car was roadworthy having passed its MOT in June 2021 without any advisories.

Mr B complained to Moneybarn that the dealer didn't agree about the excessive corrosion and he didn't consider that Moneybarn had fully addressed his complaint. Moneybarn partially upheld his complaint based on there being some inherent or developing faults at the point of sale and said it was sorry Mr B had had some dissatisfaction with the car. However, Moneybarn said it noted the necessary repairs had now been carried out and the car returned. It paid Mr B £100 compensation for the distress and inconvenience caused and also for the delay in responding to his complaint but didn't agree to take any further action.

Mr B was unhappy at Moneybarn's response and complained to this service. Our investigator didn't recommend his complaint should be upheld. He said although he accepted from the photos that the underside of the car was corroded this wasn't unusual for a car of that age. He also said that the evidence didn't support the car had excessive corrosion at its point of supply to Mr B as it had passed its MOT in June 2021 with no advisories which it wouldn't have done if it had not been in a roadworthy condition.

Mr B disagreed with the view of our investigator. He said the garage that had carried out the repairs had said the corrosion was excessive and that the car would fail a future MOT. Mr B said he had taken the car for a new MOT in May 2022 and although it had passed, there were advisories due to its corrosion. He said he'd raised the corrosion within the first three months of acquiring the car and so it must have been present at the vehicle's point of supply. Mr B said it wasn't fair that he faced future expensive repairs because he had the car on a three-year credit agreement.

As the parties were unable to reach an agreement the complaint has been passed to me.

### **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.

When looking at this complaint I need to have regard to the relevant law and regulations, but I am not bound by them when I consider what is fair and reasonable.

As the conditional sale agreement entered into by Mr B is a regulated consumer credit agreement this service is able to consider complaints relating to it. Moneybarn is also the supplier of the goods under this type of agreement and is responsible for a complaint about their quality.

Under the Consumer Rights Act 2015 there is an implied term that when goods are supplied the quality of the goods is satisfactory. The relevant law says that the quality of the goods is satisfactory if they meet the standard that a reasonable person would consider satisfactory taking into account any description of the goods, price and all other relevant circumstances.

The relevant law also says that the quality of the goods includes their general state and condition, and other things like their fitness for purpose, appearance and finish, freedom from minor defects, safety, and durability can be aspects of the quality of the goods.

Here the car was around seven and half years old and had a mileage of about 41,500. So, some issues of maintenance and repair would be expected over time. However, I've seen that Mr B raised issues with the car a few weeks after he had acquired it. He had experienced a knocking noise and taken it to a local garage who had repaired the front springs. It was when these repairs were carried out that the corrosion to the underside was brought to Mr B's attention.

Mr B has supplied a number of photos that show there is corrosion present on the underside of the car and while I'm aware the garage told Mr B this was excessive I haven't seen that it provided a report to Mr B to that effect. I've also seen that the supplying dealer disagreed that the corrosion was excessive and said it didn't impact on the roadworthiness of the vehicle.

Mr B says it would have been reasonable for Moneybarn to have arranged for the car to be independently inspected, but I disagree with that view. This is because I don't think the evidence supports the view that the corrosion was excessive at the point of supply of the car to Mr B.

I accept the photos clearly show corrosion to the underside of the car but the issue for me is whether this is excessive and beyond what would normally be expected in a car of that age. The car is used and so the presence of corrosion wouldn't be unusual and therefore wouldn't always be considered as a fault or make the car of unsatisfactory quality. It had passed its MOT in June 2021 with no advisories which it wouldn't have done if the corrosion had been excessive and significantly impacting on any parts of the car. And as this MOT had been carried out only around four months before the car was acquired by Mr B, I think it's reasonable to say that the corrosion wouldn't have changed significantly in that time. Don't think the corrosion would have developed and become excessive by the time Mr B was supplied with the car.

I appreciate Mr B's concerns that the corrosion will deteriorate further and may lead to expensive repairs being needed to the car, but I haven't seen any evidence that this is the current position. I've seen that the car passed its new MOT in May 2022 although I accept that this time with advisories. However, while the corrosion to some parts was noted, it also states on the MOT that these parts are "*not seriously weakened*" by it. So, while I agree that over time repairs may become necessary due to this corrosion, the timeline for that is unknown and would be in the future. And with a car of this age, I think a reasonable person would expect that type of repair and maintenance to arise over time. I can't say on the evidence I have seen that the car isn't as durable as would be expected.

As the evidence, including the new MOT, don't support the car had excessive corrosion at its point of supply to Mr B, then I don't think Moneybarn was obliged to seek an independent review as to its condition.

In regard to the repairs that were carried out under the warranty, I accept this is evidence that the car did have faults at the time Mr B acquired it. But although the car was faulty this doesn't necessarily mean that he has the right to reject it and cancel the agreement. Under the Consumer Rights Act 2015 the retailer does have a right to carryout repairs which here it did at no cost to Mr B. I understand that these repairs were successful, and the car returned to Mr B. So, I'm satisfied that these issues with the car were resolved.

I've seen that Moneybarn paid Mr B £100 compensation for the inconvenience and distress at having to deal with the faulty car and also for delay in responding to his complaint. I think in the circumstances this amount is fair and I wouldn't ask it to do more.

For the reasons set out above, and although I appreciate this will be of disappointment to Mr B, I'm not upholding his complaint.

### **My final decision**

As set out in the reasons above I'm not upholding Mr B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 15 December 2022.

Jocelyn Griffith  
**Ombudsman**