

The complaint

Mr S complains about the quality of a car he has been financing through an agreement with Moneybarn No. 1 Limited, who I'll call "Moneybarn".

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here. Instead, I'll focus on giving my reasons for my 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.

I know it may disappoint Mr S, but whilst I agree this car has not been of satisfactory quality, I also think Moneybarn's offer of support has been reasonable and I'm not asking them to do any more than that. I'll explain why.

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 in order to reach what I think is the right outcome.

Mr S acquired his car under a regulated consumer credit agreement and as a result our service is able to look into complaints about it.

The Consumer Rights Act (2015) is the relevant legislation. It says that the car should have been of satisfactory quality when supplied. If it wasn't then Moneybarn, who are also the supplier of the car, are responsible. The relevant law also says the quality of goods is satisfactory if they meet the standard that a reasonable person would consider satisfactory taking into account any description of the goods, the price and all the other relevant circumstances.

In a case like this which involves a car the other relevant circumstances would include things like the age and mileage at the time the car was supplied to Mr S. The car here was about 11 years old and had completed about 49,000 miles. So, I'd expect it to be showing some signs of wear and tear and not to be fault free, as would perhaps be the case on a brand new car.

Having said that, however, I am not persuaded the faults the car is currently experiencing could be considered fair wear and tear. The car can't be driven because there are wiring faults, and the vehicle will also need a Diesel Particulate Filter regeneration before it's fit to drive.

Because Mr S reported the faults within 30 days the relevant legislation gives him the right to reject the car without a repair being completed. But Mr S has now explained he'd prefer for the car to be repaired.

I don't think that's an unreasonable request and I'm pleased to see the business have agreed to pay for the repair costs.

Putting things right

I've no reason to think the repairer Moneybarn have selected are incapable of completing the repair. They appear well established, and Moneybarn have explained that they have excellent reviews. Moneybarn still own the car and, whilst I'd expect them to take Mr S's views into account, I think it's for them to decide where to get their car repaired. A referral to Mr S's chosen repairer would, I think it's fair to say, incur greater costs, as a new diagnostic would probably need to be paid for in advance of any repairs. Moneybarn's chosen repairer also has the advantage of being able to complete repairs remotely without the need to inconvenience Mr S with trips to the garage. So, I think the car should be repaired by Moneybarn's chosen repairer.

Mr S has clearly been inconvenienced by these issues. He's had to take his car for diagnostics and has had to arrange alternative transport whilst his car has been off the road. In the circumstances I think Moneybarn should pay him £300 to compensate him for the distress and inconvenience he's experienced.

Mr S has been unable to use the car since September 2022 and it's not fair for him to be paying for a car he can't drive. Moneybarn should therefore refund any finance instalments he's paid since the car broke down in September 2022 and until the car is successfully repaired. They'll need to waive the instalments if they were due and haven't been paid and they should add interest to any refund as Mr S will have been deprived of the money.

My final decision

For the reasons I've given above I uphold this complaint and tell Moneybarn No. 1 Limited to:

- Arrange for the car to be repaired by their chosen repairer, and at no cost to Mr S.
- Refund, or waive, any finance instalments from September 2022 until the date the car is repaired. Add 8% simple interest per year to any refund from the date of payment until the date of settlement.
- Remove any adverse reports they may have made to Mr S's credit file in relation to this issue.
- Pay Mr S £300 to compensate him for the distress and inconvenience caused unless that's already been paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 7 June 2023.

Phillip McMahon
Ombudsman