

The complaint

Mr B 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 will disappoint Mr B, but while I think Moneybarn should pay some limited compensation, I don't think they need to take any further action. 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 B 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 B. The car here was about eight years old and had already completed in excess of 77,000 miles.

An old car with a high mileage will not be expected to be as good as a newer car with a low mileage, but it should still be fit for use on the road, in a condition that reflects its age and price.

Moneybarn aren't responsible for everything that goes wrong with the car. They're only responsible for its condition when supplied.

The independent inspector, who looked at the car in April 2023, noted that the clutch was heavy. It was, however, his expert opinion that the fault wouldn't have been likely to have been present or developing when the car was supplied. On that basis I don't think it would be fair to ask Moneybarn to take any action about that fault.

Mr B has also complained of problems with the gearbox and the headlight. I think it's likely there were faults with those components when supplied but the relevant legislation allows the business an opportunity to repair those faults, and that's what's been done here. So, again, I don't think it would be fair to ask Moneybarn to take further action.

The relevant legislation explains that goods shouldn't be considered to be of unsatisfactory quality if the consumer ought to have noticed the fault upon reasonable inspection before agreeing to the deal. I think it's fair to suggest the bodywork issues Mr B complains of would have been apparent on a reasonable inspection. So, I don't think they made the car of unsatisfactory quality. And, even if I'm wrong about that, I think an element of body work damage is to be expected on a car of this age and mileage and I don't think the damage claimed is excessive bearing that in mind.

Tyres are parts subject to wear and tear and I don't think, in these particular circumstance, it could fairly be claimed that problems with them would render the car of unsatisfactory quality.

The independent engineer was unable to identify the presence of any adverse suspension noise or grinding gears, and I don't think there is therefore evidence to substantiate Mr B's claim there were faults in those areas.

Moneybarn have an obligation to report missed payments accurately to the credit reference agencies. As payments have been missed I can't say they've been wrong to do so.

Mr B says the car doesn't have a service history or logbook. It may be that the logbook is with Moneybarn as they are still the legal owner of the car until the finance agreement is paid off. I can't see that Moneybarn have yet replied to that concern, or indeed if Mr B still has it. And I've not seen sufficient evidence to suggest the car hasn't been appropriately registered. If Mr B still has concerns over that I will leave it open for him to raise the issue with Moneybarn as until they've had the opportunity to consider it, this Service can't.

Mr B is also upset that he hasn't received any service documentation. I'm not sure, as I haven't seen evidence, that the car came with any service history or that any service history that may have been claimed had not been completed. On that basis I don't think there is evidence the car was misrepresented to Mr B. Mr B has also suggested the mileage may be wrong but hasn't provided evidence in support of that claim so I don't think I can fairly suggest that was likely to be the case.

Mr B did, however, have problems with the gearbox and headlight and it's only fair that Moneybarn provide some compensation for the distress and inconvenience caused to him when supplying a car that was, initially, of unsatisfactory quality. He had to take the car back for repairs on a couple of occasions and was worried for the safety of his children when driving the car. He was also provided with a courtesy car that he has suggested had some faults, so I think his driving was a little impaired. All told, I think Moneybarn should provide £175 in compensation directly to Mr B. If Moneybarn have already provided the £150 they say they have, they can deduct that from the £175 I've awarded.

Putting things right

I'm asking Moneybarn to put things right in the way I've set out above and detailed below.

My final decision

For the reasons I've given above I uphold this complaint in part and tell Moneybarn No.1 Limited to pay Mr B £175 to compensate him for the distress and inconvenience he's experienced. They can deduct £150 if they've already paid that, or deducted it from arrears.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 12 October 2023.

Phillip McMahon
Ombudsman