

The complaint

Miss C is unhappy with a car she acquired using finance provided by Moneybarn No. 1 Limited.

What happened

In November 2022 Miss C acquired a used car. The car cost £7,988, had a recorded mileage on the agreement of 72,000 miles and was just over ten years old. Miss C took a conditional sale agreement with Moneybarn to finance the car.

Miss C said she immediately spotted issues with damage to a mud flap and the parcel shelf. She said shortly after this, the car had issues with windows not working and the handbrake light staying on. She said she was expecting the dealer to fix these, but it became apparent this wasn't going to be the case and so she complained to Moneybarn. While awaiting a response, she said a coil spring snapped on the car.

Moneybarn got in touch with Miss C and said it hadn't been able to investigate her complaint within the usual timeframe. It explained she could refer the complaint to our service, which Miss C did.

Later, while our service was investigating, Moneybarn issued its final response in July 2023. This said, in summary, that in relation to the parcel shelf and mud flap it considered these cosmetic issues and so wouldn't take any further action. It said the car had passed an MOT before she acquired it so it didn't think the electrical issues were present at the point of supply.

Moneybarn said it had asked Miss C for three comparative quotes from VAT registered garages for the outstanding issues, so it could consider these as a gesture of goodwill. But it said it didn't receive these. So, it said Miss C should send over receipts for repairs already completed for 'management review'. Moneybarn said it was not upholding the complaint, but it did pay Miss C £150 to apologise for the delays.

Our investigator issued an opinion and didn't uphold the complaint. He said, in summary, that the issues with the mud flap and parcel shelf didn't mean the car was of unsatisfactory quality. And he said the other issues appeared to have been caused by wear and tear when Miss C had the car.

Miss C responded. In summary, she said Moneybarn have admitted the car had a fault. And she said all the windows were now intermittently not working.

Our investigator responded and said this didn't change his opinion. So, the case has been passed to me to decide.

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'd like to start by explaining to both parties that I might not comment on every individual point raised or every piece of evidence. While I have carefully considered all of the information on the case, I am going to focus on what I think are the key points and the crux of the complaint. This reflects the informal nature of our service.

Miss C complains about a car supplied under a conditional sale agreement. Entering into regulated consumer credit agreements such as this as a lender is a regulated activity, so I'm satisfied I can consider Miss C's complaint against Moneybarn.

When considering what's fair and reasonable, I take into account relevant law and regulations. The Consumer Rights Act 2015 ('CRA') is relevant to this complaint. The CRA explains under a contract to supply goods, the supplier – Moneybarn here – has a responsibility to make sure goods are of satisfactory quality. Satisfactory quality is what a reasonable person would expect – taking into account any relevant factors.

I would consider relevant factors here, amongst others, to include the car's age, price, mileage and description. So, I'll consider that Miss C's car was over ten years old and had covered around 72,000 miles. It also cost under £8,000, which was a significant amount less than what the car would've cost new.

So, I think a reasonable person would not expect the car to be in the same condition as a newer, less road worn one. I think they would expect the car to be safe and road legal, but may expect some minor issues and for parts to have suffered wear and tear.

What I need to consider in this case is whether the car was of satisfactory quality or not.

I've firstly considered the issues with the mud flap and the parcel shelf. I've seen a photo of the mud flap, which does appear damaged. And I accept what Miss C said about the parcel shelf – as I've seen a screenshot of a text to the dealer shortly after Miss C got the car which says:

“Car is running great but have an issue with the parcel shelf (its really stiff and doesn't retract fully)”

Thinking about this, I accept these problems were likely there when Miss C got the car. But, I'm satisfied these are minor issues. And considering the age, price and mileage of the car, I don't think a reasonable person would conclude these made this particular car of unsatisfactory quality.

I've then gone on to consider the issue with the handbrake light and the electric window. The first evidence of this is from another text message, sent around three months after Miss C got the car. This says the car had an intermittent fault with these issues which is getting worse. I've then seen a report from March 2023 that describes the issues and notes the mileage of the car as 74,116 miles:

“Handbrake warning light on suspect internal switch issue Refer mbr back to dealer for further investigation Also found nearside front door window motor not working. Requires further investigation into cause of failure”

The first thing to point out here is that I'm satisfied both of these issues are likely electrical. It's particularly important to note in the case of the handbrake that the issue only appears to be with the light on the dashboard rather than the brake functioning itself – so this issue is much more minor than it might initially appear.

It's difficult to know from this information precisely when these electrical issues first started. But, I think it's unlikely they were present when Miss C got the car. I say this because, as above, Miss C told the dealer the car was initially "*running great*". I also don't think the faults were likely developing when Miss C got the car, as electrical issues can appear suddenly.

That being said, I also need to decide if the car was durable, which the CRA explains should be considered as part of satisfactory quality. But, I don't think, considering the car's price, mileage and in particular its age, that a reasonable person would consider that electrical issues appearing at the stage they did mean the car wasn't durable.

Finally, I've then considered the coil spring that snapped. I've seen a breakdown report which isn't dated, but the mileage is recorded as 74,591 miles, so it appears this was after the report above from March 2023.

Considering this, it appears Miss C had the car for at least four months at this point. And she'd covered over 2,000 miles in it. Suspension is a serviceable part of the car that will suffer from wear and tear. I think it's most likely the fault developed due to wear and tear while Miss C had the car, rather than being present when Miss C acquired it. And, thinking again about the age, price and mileage, I'm satisfied a reasonable person would not consider that this meant the car wasn't durable.

So, in summary, I don't think the car was of unsatisfactory quality when Miss C acquired it.

It's worth noting that Moneybarn did offer to consider the cost of any repairs Miss C had completed, if she sent it details of these, as a gesture of goodwill. While I do not make any direction to Moneybarn, Miss C is still free to provide these costs to it and to discuss this directly.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 15 November 2023.

John Bower
Ombudsman