

The complaint

Mr C complains that a car acquired with finance from Moneybarn No 1 Limited wasn't of satisfactory quality.

What happened

In January 2023 Ms C was supplied with a car and entered into a conditional sale agreement with Moneybarn.

Mr C experienced issues with the car as soon as he got it. These included issues with the passenger window not functioning correctly and the cruise control not working.

Mr C raised a complaint with Moneybarn. Moneybarn arranged for an independent inspection which concluded that there were multiple electrical faults with the car which would've been present or developing at the point of supply.

Moneybarn said it would arrange for the supplying dealer to repair the cruise control. Mr C waited to hear from the supplying dealer but several weeks passed and he had heard nothing, so he referred his complaint to this service.

Our investigator upheld the complaint. They said that the car wasn't of satisfactory quality when supplied and that Moneybarn should cover the cost of repairs to the car as detailed in the independent inspection report.

Mr C didn't agree. He said he wanted interest waived under the agreement for the time he'd had to drive the car with the faults. He also wanted compensation.

Creation responded and said it wanted Mr C to obtain a quote for repairs to the cruise control from a local garage. It said it would refund the cost of these repairs.

I issued a provisional decision. I reviewed the independent inspection report and set out the faults which had been found with the car as follows:

Positive terminal lead not fitted correctly

Battery insecure

Offside front and nearside front side lights inoperable

Aftermarket bulb fitted to offside front headlight

Nearside front fog light insecure

Rear fog lamp inoperable and full of water

Offside front headlamp LED bulb with low lumen output

LED bulbs fitted to rear registration plate

Fault code cruise control

I went on to consider whether the faults would've been present or developing at the point of supply and found that all of the faults would've been present or in an advanced stage of development at the point of supply, which meant that the car wasn't of satisfactory quality.

I said that although Moneybarn had offered to cover the costs of repairs to the cruise control, I didn't think this was sufficient because it didn't address all the other faults which had been identified at the independent inspection. I said that the inspection had identified several other faults which had been found to be present or developing at the point of supply and said that Moneybarn should cover the cost of repairing all of these.

I said I wasn't asking Moneybarn to cover the cost of repairs to the window because no fault was found with the window during the independent inspection.

I said that in the first instance, Mr C should obtain an estimate for the cost of the repairs to the set out in the independent inspection report and provide this to Moneybarn. Once the repairs have been carried out, Moneybarn should refund Mr C.

I also said that Moneybarn should pay compensation to Mr C for the distress and inconvenience caused to him as a result of being supplied with a car which wasn't of satisfactory quality.

I invited both parties to let me have any further evidence or arguments they wished to raise.

Mr C responded and attached an estimate of the cost to repair the cruise control. He also said that the independent inspection hadn't tested the window, but that the supplying dealer had a note that the window wasn't operable.

Moneybarn responded and said that whilst it believed the outcome to be fair in principle, it was concerned about the cost of repairs and said it would require relevant quotes, because depending on the final cost of repairs it could be uneconomical to have the car repaired and it may be a better option to allow Mr C to reject the car.

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've considered the additional comments and information provided by both parties. Having done so, my decision hasn't changed.

I haven't seen any evidence of a fault with the window, so I won't be including this in the list of items that require repair.

I acknowledge Moneybarn's concerns about the costs of repair but at the moment there's no evidence to suggest that the car will be uneconomical to repair, so I think that repairs are the correct resolution here.

For clarification, the repairs to be carried out are those which I've listed in my provisional decision and which I've listed again above in this decision. Mr C must obtain a quote dealing with each of these repairs and provide it to Moneybarn.

Putting things right

To put things right, Moneybarn No 1 Limited must:

Cover the cost of the repairs I've listed out above

Pay £250 for the distress and inconvenience caused to Mr C as a result of being supplied with a car which wasn't of satisfactory quality

Remove any adverse information from Mr C's credit file in relation to the agreement

My final decision

My final decision is that I uphold the complaint. Moneybarn No 1 Limited must take the steps I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 8 February 2024.

Emma Davy
Ombudsman