

## **The complaint**

Mr K complains about the quality of a car supplied via conditional sale by Moneybarn No.1 Limited trading as Moneybarn.

## **What happened**

The parties are familiar with the background details of this complaint – so I will briefly summarise them here. It reflects my role resolving disputes with minimum formality.

Mr K says that he had the car for less than a year and it experienced major engine problems requiring costly repairs to resolve.

Moneybarn would not accept liability for the cost of the repairs – and concluded the damage was due to reasonably expected wear and tear.

Mr K escalated his complaint to this service. Our investigator did not uphold it.

Mr K has requested the case is looked at by an ombudsman for a final 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.

While I might not comment on everything (only what I consider key) this is not meant as a discourtesy to either party – it reflects my role resolving disputes with minimum formality.

In considering what is fair and reasonable, I need to have regard to the relevant law and regulations, regulators' rules, guidance and standards, codes of practice and (where appropriate) what I consider to have been good industry practice at the relevant time.

The agreement in this case is a regulated consumer credit agreement. As such, this service is able to consider complaints relating to it. Moneybarn is also the supplier of the goods under this type of agreement, and responsible for a complaint about their quality.

The Consumer Rights Act 2015 is of particular relevance to this complaint. It says that under a contract to supply goods, there is an implied term that "the quality of the goods is satisfactory".

The Consumer Rights Act 2015 says the quality of goods are 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. So it seems likely that in a case involving a car, the other relevant circumstances a court would take into account might include things like the age and mileage at the time of sale and the vehicle's history.

The Consumer Rights Act 2015 ('CRA from now on') says 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 goods.

In January 2023 Moneybarn supplied Mr K with a second-hand car that was over 4 years old and had done 89,000 miles at the point of supply. The dealer priced it at £12,000 which is not an insignificant amount of money to pay for a car (as Mr K has pointed out). However, it is less than what a new or newer model with less mileage would cost. It is fair to say that in these circumstances (particularly noting the mileage) a reasonable person would consider that the car had already suffered significant wear and tear – and was likely to require more maintenance and potentially costly repairs much sooner than you might see on a newer, less road worn model.

Firstly, can I say that I am very sorry to hear about how this matter has impacted Mr K. I am in no doubt that it has been extremely stressful for him to have had faults with the car and costly repairs as a result. I have carefully thought about what he has said and looked at the evidence available to see if Moneybarn has breached its contract with Mr K by providing him a car that was not of satisfactory quality at the point of supply.

I note Mr K has said that he had initial problems with the flywheel within the first month of having the car. And had to pay out for repairs. However, there just isn't persuasive enough information for me to say that there were early issues which meant the car was not of satisfactory quality at the point of sale. To date Mr K had only been able to provide this service with limited information about the issue – and the information we have obtained about the repair from the garage suggests the flywheel did not require replacing and was changed for peace of mind.

There is more information about the later problems Mr K had with the car – specifically that the timing chain snapped and damaged the engine. It appears that Mr K notified Moneybarn in October 2023 about this. Mr K has produced an undated diagnosis from a mechanic that confirms what had occurred along with invoices relating to the cost for repairs – including a new engine.

Overall, I am satisfied that Mr K had serious engine problems caused by a timing chain snapping. The issue is whether this is something Moneybarn is liable for. Here I don't have an independent inspection to guide me – so I have looked at the facts as a non-expert in cars to determine what is most likely the case.

I don't think the timing chain was likely broken at the point of supply or that there were major engine issues then. As it appears that Mr K had travelled about 10,000 miles in the car over 8 months before the engine damage occurred. I don't think he could have done this if the timing chain or engine were already faulty.

However, just because something isn't broken at the point of supply does not mean the car was of satisfactory quality. This is because a car is expected to be reasonably durable in the circumstances. But around when the timing chain broke I note Mr K's car had travelled almost 100,000 miles. So it is difficult for me to say that it wasn't reasonably durable in the circumstances as information suggests that a timing chain might need checking and replacing at these higher mileages. On the face of it (and without an expert report to say otherwise) the damage would appear to be as a result of reasonably expected wear and tear.

I know Mr K says he doesn't drive the car poorly and services it well – however, while these are relevant factors – I have limited information to say that it is unreasonable or unexpected for parts to fail as they have done here on a car which has travelled significant mileage.

I know Mr K has also pointed out that Moneybarn has concluded the issue is down to wear and tear without doing any checks or reports on his car. I know this must be frustrating for Mr K. However, based on the lack of a persuasive expert report to say otherwise, the facts do not point to the car likely being of unsatisfactory quality.

Because of my findings here I am unable to fairly say that Moneybarn should reimburse Mr K for repairs or carry out some other remedy like taking back the car. I know this will likely disappoint Mr K and once again I am sorry to hear about the financial position this has put him in. Mr K is free to reject my decision and may choose to continue his dispute by alternative means (such as court). This will be up to Mr K in accordance with any appropriate legal advice he seeks.

### **My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 25 November 2024.

Mark Lancod  
**Ombudsman**