

The complaint

Mr H complains about a used car he acquired through a conditional sale agreement with Moneybarn No.1 Limited ("Moneybarn"). The car suffered a significant mechanical failure just over five months after he acquired it which means it requires expensive repairs.

What happened

Mr H acquired a used car in March 2023. The cash price of the car was £4,995 and was to be repaid through the conditional sale agreement Mr H took out with Moneybarn. Around five and a half months after Mr H acquired the car, it suffered problems with the engine. An independent inspector diagnosed this to be a head gasket failure and an engine rebuild was suggested as an appropriate repair.

Mr H was understandably unhappy about the problems with the car and the significant repair costs. He complained to Moneybarn about the car's quality, but they didn't uphold his complaint. In summary, they found that the head gasket failure was more likely to be a result of wear and tear and didn't consider they were responsible for this.

Mr H referred his complaint to our service, where it was considered by an investigator. He reached similar conclusions and felt it was more likely to be wear and tear of the car that resulted in the engine, or more specifically, head gasket failure. Mr H didn't agree and said it was unreasonable to expect him to be responsible for what happened to the car when he had less than six months use of it. He asked for an ombudsman to review his complaint and it has now 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'm sorry to disappoint Mr H, but I have come to same overall conclusion as the investigator for broadly the same reasons.

Mr H acquired a used car through a conditional sale agreement with Moneybarn. Moneybarn is the supplier of the goods under this agreement and our service can consider complaints about regulated conditional sale agreements and the goods supplied under them.

Mr H's complaint is essentially that the car he acquired wasn't of satisfactory quality. The Consumer Rights Act 2015 ("CRA") is relevant legislation to consider here. In summary, it requires Moneybarn as the supplier of the car under the conditional sale agreement to ensure the car supplied was of satisfactory quality. Satisfactory quality is defined in the CRA and is what a 'reasonable person' would consider satisfactory, given the specific circumstances of the case. When considering goods such as cars, the age, mileage and price of the car are in my view relevant considerations when considering whether the car was of satisfactory quality. The type of fault, alongside when that fault occurred is also a relevant consideration.

In this case, Mr H acquired a car that I understand was over 10 years old and, according to the dealership's invoice, had covered 77,769 miles. It was around five and a months and around 5,000 miles before the problem with the engine arose.

The independent inspection that was carried out on the car noted that, because Mr H had been able to cover over 5,000 miles since he acquired it, the fault likely wasn't present or developing at the time of supply. Judging by the difference between the mileage shown on the dealer's invoice, and when the car was inspected, the car had in fact covered just under 5,000 miles before the problem occurred.

However, irrespective of this, I consider it unlikely that the problems Mr H experienced with the car would have materialised after close to 5,000 miles and nearly six months of driving had the problem that caused the failure been present or developing when Mr H acquired it. I think that, had the head gasket been damaged or was faulty prior to then, it was more likely than not that the engine would have failed considerably sooner than it did. And that is essentially I think what the independent inspector concluded.

Finally, I note that Mr H disputes the mileage at the point of supply as quoted by Moneybarn in their response to his complaint. This was though the mileage shown on the dealer's invoice. I haven't seen sufficient evidence that this was incorrect.

My final decision

I do appreciate the position Mr H now finds himself in but for the reasons I've set out above, I haven't upheld his complaint against Moneybarn No.1 Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 5 November 2024.

Daniel Picken
Ombudsman