

## **The complaint**

Miss S is unhappy with a car she got using a conditional sale agreement from Moneybarn No. 1 Limited.

## **What happened**

Miss S acquired her car using a conditional sale agreement from Moneybarn on 31 December 2022 for £8,740. It had been driven for 93,190 miles and was around nine years old.

On 5 January 2024 Miss S collected the car and experienced low power. She was told by the dealership it would sort itself out.

After more issues appeared, she took her car back to the dealership and received a courtesy car. Miss S said the courtesy car didn't run properly and was unsuitable. The dealership returned Miss S' car after several weeks, but the warning lights appeared again.

On 30 March 2023, Miss S informed the dealership she was experiencing multiple issues including problems with the brake discs and pads, the engine misfiring, faulty coil packs and the engine management light coming on.

Moneybarn issued their response to Miss S' complaint on 30 May 2023. It said the dealership had told them that the car was now fixed so there wasn't anything else they needed to do.

After experiencing more issues with the car, Miss S approached the dealership. They investigated and said Miss S could return the car. It was collected from her in late September 2023.

On 1 November 2023 a health check was carried out on the car. The mileage at the time was 99,853. The health check highlighted a number of issues, such as worn tyres, a chipped windscreen, broken locks and broken brake pads. The dealership believed Miss S had caused this damage.

Moneybarn issued a second response to Miss S on 7 November 2023. They said the dealership had agreed to unwind the agreement and waive any arrears. As part of this, they said they would also amend Miss S' credit file to remove any adverse information. They explained that as Miss S had travelled over 5,658 miles since the start of the agreement, they wouldn't refund any finance repayments she made because she had used the car.

They said there was damage to the car so made a deduction of £522.81 for repairs from her deposit. They paid Miss S 8% simple interest on the deposit amount they did refund.

They also paid £150 compensation for the distress and inconvenience experienced by Miss S.

An investigator looked into things and thought Moneybarn needed to do more.

He said that as Miss S had use of the car and was provided with a courtesy car for some of the time it was in for repairs, he didn't think Moneybarn needed to refund her any of the payments she had made. But he thought as Moneybarn couldn't provide evidence of any damage to the car, it wasn't fair to deduct £522.81. He also said Moneybarn should pay Miss S a further £300 for the distress and inconvenience she had experienced.

Moneybarn accepted the investigators findings. Miss S didn't believe the distress and inconvenience amount was enough and she said her credit file hadn't been amended. And so, the case has been passed to me to review.

After doing this, I've come to a similar outcome to the investigator. I'll explain more below.

### **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.

Miss S acquired the car using a conditional sale agreement and so The Consumer Rights Act 2015 (CRA) is the relevant legislation for this complaint. The Act sets out expectations and requirements around the quality of goods supplied. In summary, goods should be of satisfactory quality. Satisfactory quality is essentially based upon what a reasonable person would consider to be satisfactory. In instances like this when considering the quality of a car, the age, mileage and price are some of the things that I think would be considered to be reasonable to take into account.

Moneybarn hasn't disputed that the car was unsatisfactory quality, and so I've focused on whether they've done enough to put things right under the CRA.

After doing this, I think Moneybarn need to do more here.

We asked Moneybarn to provide evidence of the damage caused to the car which meant the full deposit wasn't refunded. They were unable to provide this. Miss S sent us a health check she was sent by the dealership a month after she had returned the car. The invoice listed some damage, but it didn't confirm how it was likely caused or what the cost of the repair would be. It also lacks detail, and so I don't find it persuasive evidence to show that Miss S had damaged the car.

It follows that I don't think it is fair that a deduction on the deposit was taken. So, I think that Moneybarn should reimburse Miss S the £522.81 that they deducted from her deposit. They should also add 8% simple interest from the date the deposit was paid, to the date of settlement of this complaint. I say this because Miss S didn't have use of the funds during this time.

Miss S said that Moneybarn had not fully amended her credit file like they said they would. She sent us partial screenshots to prove that missed payments were showing. While it is difficult to see exactly what was being reported from these, I've seen an email from Moneybarn where they admitted that the amendments to Miss S' credit file weren't made promptly. And so, I think there was a delay in amending Miss S' credit file. I've noted that Miss S has recently told us that the adverse information has now been removed.

Miss S made seven monthly payments for her car, and it had been driven 5,658 miles. Considering Miss S was also given a courtesy car for some of the time the car was in for repairs, I think it is reasonable for Moneybarn to keep those repayments. This is because I can see that Miss S used the car and drove it.

Moneybarn have already agreed to pay Miss S a further £300 for the distress and inconvenience she has experienced. This takes the total amount of distress and inconvenience to £450. I think this is a fair amount and I won't be recommending that they pay anything further. I think this because it acknowledges the distress Miss S had trying to sort all this out. I also think this distress and inconvenience amount acknowledges any delays in amending the adverse information on her credit file.

### **Putting things right**

For the reasons set out in this decision, Moneybarn No. 1 Limited should:

1. Refund Miss S the remaining deposit amount of £522.81;
2. Add 8% simple interest on part one of this settlement from when Miss S paid her deposit to the date of settlement of this complaint; and
3. Pay Miss S a further £300 (£450 in total) for the distress and inconvenience that has been caused.

Moneybarn must pay these amounts within 28 days of the date on which we tell them Miss S accepts my final decision. If they pay later than this, they must also pay interest on the settlement amount from the date of final decision to the date of payment at 8% a year simple.

If Moneybarn deducts tax from any interest they pay to Miss S, they should provide Miss S with a tax deduction certificate if she asks for one, so she can reclaim the tax from the tax authorities if appropriate.

### **My final decision**

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 17 January 2025.

Ami Bains  
**Ombudsman**