

Complaint

Miss Y has complained about the quality of a car that Moneybarn No.1 Limited ("Moneybarn") supplied to her through a conditional sale agreement.

Background

In August 2023, Moneybarn provided Miss Y with finance for a used car. The car was approximately seven and a half years old and it is my understanding that it had completed around 73,010 miles at the time of purchase. The cash price of the vehicle was £11,995.00. Miss Y paid a deposit of £585 and applied for finance to cover the remaining amount she needed to complete the purchase. Moneybarn accepted Miss Y's application and entered into a 60-month conditional sale agreement with her.

The amount borrowed was £11,410.00 and the loan had an APR of 42.4%, interest, fees and total charges of £13,008.92. So the total amount to be repaid of £24,418.92 was due to be repaid in 59 monthly instalments of £413.88.

I understand that Miss Y began having difficulties with the battery on the vehicle in December 2023. The battery was replaced in January 2024 before the vehicle broke down on the motorway and Miss Y's breakdown provider had to provide her with an escort home. In April 2014, the car did not pass its MOT. The main reasons for this were that the brake pads were worn to below the legal limit, there were issues with the exhaust gas emissions and one of the tyres needed replacing.

Subsequent to Miss Y being told that the vehicle needed repairs before it would pass an MOT, Miss Y complained that Moneybarn had supplied her with a vehicle that was not of satisfactory quality. Moneybarn issued its final response to Miss Y's complaint on 2 May 2024. Moneybarn didn't uphold Miss Y's complaint.

In essence, it said that this was because it considered that the repairs needed to the vehicle were for issues that had occurred as a result of normal wear and tear. It did not consider that these issues were problems at the point that it supplied the vehicle to Miss Y. Miss Y was dissatisfied at Moneybarn's response and referred her complaint to our service.

Miss Y's complaint was reviewed by one of our investigators. She thought that the vehicle Moneybarn had supplied Miss Y with was of satisfactory quality and she didn't recommend that Miss Y's complaint be upheld.

Miss Y disagreed with our investigator's view and asked for her complaint to be passed to an ombudsman for a final decision. So the complaint has been passed to me to decide.

My findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I'm satisfied that what I need to decide in this case is whether the car supplied to Miss Y was of satisfactory quality. Should it be the case that I don't think it was, I'll then need to decide what's fair, if anything, for Moneybarn to do to put things right.

Having carefully considered matters, I'm satisfied that the vehicle Moneybarn supplied to Miss Y was of satisfactory quality and I'm therefore not upholding Miss Y's complaint. I'll explain why in a little more detail.

The finance agreement in this case is a regulated conditional sale agreement, which we are able to consider complaints about. Under the conditional sale agreement, Moneybarn purchased the vehicle from the dealership Miss Y visited.

Miss Y then hired the vehicle from Moneybarn and paid a monthly amount to it in return. Moneybarn remained the legal owner of the vehicle under the agreement until Miss Y's loan was repaid.

This arrangement resulted in Moneybarn being the supplier of Miss Y's vehicle and so it is also responsible for answering a complaint about its quality.

The Consumer Rights Act 2015 ("CRA")

The CRA covers conditional sale agreements – such as Miss Y's agreement with Moneybarn. Under a conditional sale agreement, there are implied conditions that the goods supplied will be of satisfactory quality.

The CRA says the aspects of the quality of the goods and whether they are satisfactory includes their general state and condition alongside other things such as their fitness for purpose, appearance and finish, freedom from minor defects, safety, and durability.

Is there a fault with the vehicle?

Having considered the information provided I'm satisfied that there is a fault currently present on the vehicle. I say this because while there may be a dispute regarding the party responsible, nonetheless the notice issued by the engineer who conducted the MOT test on the vehicle concluded that the car should not be driven until the brakes were repaired and the exhaust system needed immediate attention.

So I'm satisfied that there is now, at least, a fault with the vehicle which needs to be rectified before it can be driven.

As this is case, I'll now proceed to decide whether the fault which I'm satisfied is currently present on the vehicle, meant that the car wasn't of satisfactory quality at the point of supply.

Was the vehicle that Miss Y was supplied with of satisfactory quality?

It is clear that Miss Y has a number of issues with the vehicle. But just because things might have gone wrong with the vehicle, it doesn't automatically follow that it wasn't of satisfactory quality when it was initially supplied to her. I've therefore considered all of the information on the issues Miss Y has highlighted and I have reached my own determination on the quality of the vehicle at the time it was supplied to her.

As a preliminary point, I note that Miss Y replaced the battery on the vehicle. However, Miss Y took possession of a car that was not only used, but it was seven and a half years old when it was sold and it had completed just over 73,000 miles. And there are clearly different expectations regarding the expectations of quality when comparing a vehicle which has had

some use, to a new car. I think it's fair to expect an older car will require repair or maintenance work sooner than a newer or less used model.

I appreciate Miss Y's strength of feeling. But a battery only has an expected lifespan of around three to four years. In my view, I don't think it unreasonable that a car which has had over seven years use and which has completed over 73,000 miles in this time, will have a battery that needs replacing in the not-so-distant future. So I don't think the fact Miss Y needed to replace the battery a few months after the vehicle's supply means that the car wasn't of satisfactory quality or that her complaint should be upheld.

I now turn to Miss Y's concerns about the vehicle not having passed its MOT. The information from the engineer indicates that vehicle did not pass its MOT for a number of reasons. The car did not pass its MOT because the rear brake pads, a spark plug and at least one tyre needed replacing. It also appears as though the exhaust gases being emitted were above legal limits too.

I can understand Miss Y's frustration at remedial work being required sooner than she would have anticipated at the time she took delivery of the vehicle. I also accept that she, as she says, would not have gone ahead with her purchase had she known that she would have to make these repairs at the time they became necessary.

But the fact remains that parts such as brake pads, sparkplugs and tires will deteriorate over time and will eventually require replacing. It is generally accepted that these types of parts will not last the entire lifetime of the vehicle. So I don't think that the brake pads, sparkplugs and tyres needing to be replaced after a vehicle has been used for around 76,000 miles (which was the mileage at the time the MOT took place) means that these parts weren't durable.

I don't think that the result of the exhaust emissions test, carried out as part of the MOT, means that the car wasn't of satisfactory quality either. A vehicle is likely to require periodic maintenance and servicing to ensure that the emissions being emitted continue to comply with legal limits. And more older vehicles are likely to require such maintenance be carried out at more regular intervals.

In reaching my conclusions, I've thought about what Miss Y has said about not expecting to incur costs so soon after she was supplied with a car sourced from a reputable dealer. I accept that Miss Y may have her own expectations of the vehicle bearing in mind the supplying dealer used and her history with her previous vehicle. However, the CRA requires me to consider what a reasonable person's expectations – not Miss Y's expectations - would be in relation to the faults Miss Y has complained about.

I think a reasonable person would consider that a car will have suffered some wear and tear - after seven and a half years and 76,000 miles - and that parts are likely to need replacing in the time that the vehicle is with them (albeit, in this case, it is unfortunate that the battery, sparkplugs, brake pads and tyres have needed replacing shortly after the vehicle was supplied).

I also think the fact that Miss Y might not have had to carry out such work on her previous vehicle in the period she had it and despite it being older, doesn't mean that this vehicle wasn't durable. The parts and components on some cars might last longer than others. But it doesn't necessarily follow that because the parts on one car didn't last as long as those on another, those parts were not durable.

So even though the car Miss Y was supplied with requires some repairs to ensure it remains roadworthy, bearing in mind its age as well as the mileage completed, I'm not persuaded

that this means that the vehicle wasn't durable, or that it wasn't of satisfactory quality at the time it was supplied to Miss Y.

I've also seen what Miss Y has said about there being other engine related issues and that the supplying dealer knew about this as well as the issues that led to the vehicle not passing its MOT at the time of supply. I've thought about what Miss Y has said. However, the vehicle passed MOT checks in April 2023 and March 2022. Although I accept that all this means is that the car was roadworthy at the respective times and, on its own, doesn't mean that the car was of satisfactory quality some 12 and 25 months later.

Furthermore, I've not been provided with a diagnostic report, inspection report or any other type of independent corroboration of Miss Y's arguments that there were engine related faults on the car at the time that it was supplied to her. In the absence of any corroborating evidence, I'm afraid that I'm simply not in a position to agree that there were engine related faults present on the vehicle which mean that it wasn't of satisfactory quality, or that it would be fair and reasonable for Miss Y to now reject the vehicle as she now wishes to either.

Overall and having considered everything that Miss Y has said as well as everything she has provided, in relation to the issues she's having with the vehicle supplied, I'm satisfied that it's more likely than not that the issues Miss Y is unhappy with are due to general wear and tear and are to be expected for a vehicle of the age and mileage Mr K was supplied with.

I do consider that some of these issues deteriorated after Miss Y was supplied the car. But I'm not persuaded that the car supplied to Miss Y by Moneybarn was not of satisfactory quality and it follows that I'm not upholding Miss Y's complaint.

I appreciate that this is likely to be very disappointing for Miss Y – particularly as she will be left in a position where she is being expected to pay for a car which she's unable to use without first getting it repaired. But I hope she'll understand the reasons for my decision and that she'll at least feel her concerns have been listened to.

My final decision

For the reasons I've explained, I'm not upholding Miss Y's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss Y to accept or reject my decision before 16 September 2024.

Jeshen Narayanan
Ombudsman