

## **The complaint**

Mr G complains that a car acquired under a conditional sale agreement with Moneybarn No. 1 Limited ('Moneybarn') wasn't of satisfactory quality.

## **What happened**

In September 2023, Mr G was supplied with a used car through a conditional sale agreement with Moneybarn. The car was about ten years old and had covered approximately 99,000 miles when the agreement started. The agreement was for 57 months, and the cash price was £4,790.

In December 2023 Mr G complained to Moneybarn, in short, amongst other things he said the vehicle was experiencing problems less than three months from when he had acquired the car. There were issues with the head gasket leading to the engine needing to be replaced, he wanted to reject the vehicle and wanted a replacement. Or, if this was not possible, he wanted to cancel the agreement.

Moneybarn looked into things but didn't uphold the complaint. It issued its final response letter in March 2024. It explained, following an independent inspection of the vehicle, faults were present but given the number of miles the vehicle had undergone since Mr G had the car, the faults would not have been present at the point of sale. And the faults were more than likely caused by age-related wear and tear.

Aside from this, Moneybarn acknowledged it had taken longer than it would've liked to resolve the complaint and it offered £100 in recognition of the distress and inconvenience caused.

Mr G remained unhappy and brought his complaint to this Service. Our Investigator looked into things but didn't uphold the complaint. He agreed there was a fault with the car, but he didn't think it was present at the point of sale. Instead, he thought the fault was likely caused by general wear and tear.

Mr G didn't agree, he maintained the car supplied by Moneybarn wasn't of satisfactory quality, so the complaint has 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.

Having done so, I've reached the same overall conclusions as our Investigator and for broadly the same reasons. I know this will come as a disappointment to Mr G, but I will explain my reasons below.

It's clear Mr G has strong feelings about this complaint. He has provided detailed submissions in support of his view which I can confirm I've read and considered. However,

I trust Mr G will not take the fact that my findings focus on what I consider to be the central

issue as a discourtesy. The purpose of my decision isn't to address every point raised but to set out my conclusions and reasons for reaching them. The conditional sale agreement entered by Mr G is a regulated consumer credit agreement and 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 its quality.

The Consumer Rights Act 2015 (CRA) covers agreements like the one Mr G entered. Because Moneybarn supplied the car under a conditional sale agreement, there's an implied term that it is of satisfactory quality at the point of supply. Cars are of satisfactory quality if they are of a standard that a reasonable person would find acceptable, taking into account factors such as the age and mileage of the car and the price paid.

The CRA also says that the quality of goods includes the general state and condition, and other things such as its fitness for purpose, appearance and finish, freedom from minor defects and safety can be aspects of the quality of the goods.

Satisfactory quality also covers durability. For cars, this means the components must last a reasonable amount of time. Of course, durability will depend on various factors. In Mr G's case the car was used and covered approximately 99,000 miles when he acquired it. So, I'd have different expectations of it compared to a brand-new car. Having said that, the car's condition should have met the standard a reasonable person would consider satisfactory, given its age, mileage, and price.

Moneybarn acknowledged it had a potential liability in respect of the quality of goods it supplied and so it instructed an independent party to carry out an inspection of the car. As a result, a detailed report setting out the professional opinion of the third party was provided and it identified a fault in the form of the coolant bottle being heavily contaminated with emulsified oil and coolant.

It said it would be consistent with a head gasket failure and faults of this nature would be due to wear and deterioration. It continued to say this would not be unexpected on a vehicle of this age and mileage and considering the miles done since purchase the fault wouldn't have been present at the point of sale. I see no reason why Moneybarn should not be entitled to rely on this report. I've seen nothing to contradict the findings of this report and so similarly

I consider I can rely on the report in determining this complaint.

If I thought the car was faulty when Mr G took possession of it, or that the car wasn't sufficiently durable, and this made the car not of satisfactory quality, it'd be fair and reasonable to ask Moneybarn to put things right. Mr G has said he'd like to reject the car. The CRA sets out that Mr G has a short term right to reject the car within the first 30 days if the car is of unsatisfactory quality, not fit for purpose or not as described, however, he would need to ask for rejection within that time. Mr G would not be able to retrospectively exercise his short term right of rejection at a later date.

Mr G acquired the car in September 2023 and experienced faults months later, which is outside of 30 days. Having said that, whilst I don't dispute that Mr G experienced problems with the car, in any event I'm not persuaded the fault was present at the point of sale and so Mr G would not have the right to reject.

I do empathise with Mr G who I don't doubt would have to pay out money on work that needs doing to rectify the faults. Further, the car had been in Mr G's possession for about three months before the fault occurred. But, in such a short space of time it had travelled a further 4000 miles. Not only do I think this is a considerable number of miles to have been completed within a short space of time, but if the car was of unsatisfactory quality at the

point of supply Mr G would not have been able to drive the vehicle for as many miles as he did.

I accept Mr G's complaint could've been handled better than it was, and I appreciate the impact this would've had on him. Complaint handling isn't a regulated activity, so it isn't something we are able to look into. But I'm satisfied Moneybarn has recognised this by way of its £100 offer of compensation. I trust that Moneybarn will pay this if it hasn't already done so.

### **My final decision**

For the reasons I've set out above, my final decision is I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 2 January 2025.

Rajvinder Pnaiser  
**Ombudsman**