

The complaint

Mrs M complains that a car that was supplied to her under a conditional sale agreement with Moneybarn No. 1 Limited wasn't of satisfactory quality.

What happened

A used car was supplied to Mrs M under a conditional sale agreement with Moneybarn that she electronically signed in July 2023. The price of the car was £11,750, Mrs M made an advance payment of £1,500 and agreed to make 42 monthly payments of £327.76 to Moneybarn. Mrs M complained to Moneybarn about some issues with the car in December 2023.

It upheld her complaint in part. It said that the repair costs were £4,856.62 and the dealer would contribute £2,000 and the warranty company would cover £2,400, leaving a balance of £456.62 which it would be refunding to Mrs M. It also said that it would be returning one monthly payment of £327.76 to cover any loss of use of the car and £75 to cover any distress and inconvenience that this matter had caused.

Mrs M wasn't satisfied with its response so complained to this service. Her complaint was looked at by one of this service's investigators who, having considered everything, thought that it should be upheld. She thought that there was enough information to persuade her, on the balance of probabilities, that the car wasn't of satisfactory quality when it was supplied to Mrs M. She recommended that Moneybarn should: collect the car from the third-party garage without any cost to Mrs M; cancel the agreement with nothing further to pay and swiftly remove any adverse information from Mrs M's credit file; refund the deposit; refund one month's payment to reflect Mrs M's loss of use of the car in November and December 2023; refund 50% of the monthly payments from January 2024 to the date of settlement (for loss of enjoyment relating to the loan car); pay interest on all of the refunds; and pay £250 for the distress and inconvenience that Mrs M had been caused.

Both Mrs M and Moneybarn accepted the investigator's recommendation. After some issues with the car being collected from the garage where it was going to be repaired, it was collected, Moneybarn ended the conditional sale agreement in June 2024 and it refunded a total of £3,016.09 to Mrs M.

Mrs M then said that she had been misunderstood because she agreed to the principle, not the amount as that hadn't been formally proposed to her. She says that the refund fails to account for the significant financial harm and considerable stress that she's endured and that she shouldn't be liable for finance payments for the period when the car was no longer in her possession. She also says that she's receiving penalty charge notices about use of the car that has taken place since the car's not been in her possession.

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.

The investigator explained why she thought that the car wasn't of satisfactory and she recommended the actions that Moneybarn should take. I consider that her recommendation was clear, specific and understandable. The investigator's letter to Mrs M said: *"If you'd like to accept Moneybarn No. 1 Limited's offer, please let me know ... and I'll arrange for Moneybarn No. 1 Limited to get in touch with you"*. Mrs M replied to say: *"Yes, if we could move the situation on and get this resolved as quickly as possible that would be great"*. Mrs M says that she agreed to the principle, not the amount as that hadn't been formally proposed to her. But I don't agree. I consider that Mrs M said "yes" to accept the recommendations that had been made by the investigator.

I've looked carefully at the information that Moneybarn has provided about the payment of £3,016.09 and I'm satisfied that it has been calculated in accordance with the investigator's recommendations. I'm not persuaded that it would now be fair or reasonable for me to change those recommendations and to require Moneybarn to pay more compensation to Mrs M for the distress and inconvenience that she's been caused or to refund to her a larger proportion of her monthly payments for the period from January to May 2024.

Mrs M says that she's receiving penalty charge notices about use of the car that has taken place since the car's not been in her possession. That isn't something that was included in her complaint to Moneybarn so it hasn't had an opportunity to investigate and respond to her about that issue and I'm unable to consider that issue in this decision.

Putting things right

I consider that Mrs M's complaint about the car not being of satisfactory quality has been dealt with fairly and reasonably so I find that it wouldn't be fair or reasonable for me to require Moneybarn to take any further action in response to Mrs M's complaint.

My final decision

My decision is that I uphold Mrs M's complaint about the car not being of satisfactory quality but I don't require Moneybarn to take any further action.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 13 November 2024.

Jarrold Hastings
Ombudsman