

## **The complaint**

Mr H complains about the quality of a used car he acquired through a conditional sale agreement financed by Moneybarn No. 1 Limited trading as Moneybarn (Moneybarn).

## **What happened**

In July 2023, Mr H acquired a used car through a conditional sale agreement, financed by Moneybarn. The car was around eight years old at the point of supply, the cash price was around £6,120 and it had 78,626 miles on the odometer.

In January 2024, the car broke down and was undrivable. Mr H had the car recovered to his local garage who ran a diagnostic. This identified the car's head gasket had failed.

Mr H notified the supplying dealership of the issue and asked for the repairs to be carried out under the warranty provided to him at the point of supply. After being advised by the dealership the required repairs would not be covered under warranty, Mr H complained to Moneybarn.

Moneybarn issued a final response in February 2024. Moneybarn told Mr H as the fault had occurred more than six months after the start of his agreement with them, it was his responsibility to prove the issues were present or developing at the point of supply. As Mr H had failed to do this, Moneybarn said they considered the issues with the car were the result of wear and tear, so they didn't uphold his complaint.

Mr H asked the Financial Ombudsman Service to investigate his complaint, saying the fault had occurred and was brought to the dealership's attention within the first six months of the car being in his possession. Additionally, Mr H also said a fault with the car's exhaust had now been identified, and that this resulted from a failed repair completed by the supplying dealership around August 2023.

One of our Investigators let Moneybarn know he was satisfied Mr H had evidenced the issue had occurred within the first six months of his ownership, so Moneybarn agreed to instruct an independent engineer to inspect the car.

The report was carried out in March 2024 and the mileage was noted as 89,453. The engineer, in summary, reported the car had suffered a head gasket failure, as well as identifying damage to the exhaust downpipe. But, due to the time elapsed and the mileage covered, the report concluded the faults weren't present at the point of supply to Mr H.

After looking into things, our Investigator didn't uphold Mr H's complaint, saying he thought the car was of satisfactory quality when it was supplied. He said regarding the broken exhaust downpipe, he'd seen no evidence from either party about any previous repairs, so he was unable to confirm if the fault was the result of a failed repair, or if it had developed since the car had been in Mr H's possession.

Mr H said our Investigator didn't fully take into account the evidence or the impact the situation is having on him and that it's reasonable to expect a car of the value he paid, to last

significantly longer than six months. Because Mr H remained unhappy, his complaint has come 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.

Where evidence is incomplete or inconclusive (as some of it is here), I've reached my decision on the balance of probabilities, deciding what I consider most likely to have happened in light of the evidence that is available and the circumstances of this complaint as a whole.

Having done so, while I know this will come as a disappointment to Mr H, I'm not upholding his complaint. I'll explain why.

First, as this complaint concerns the quality of goods, in this case a car, supplied through a regulated conditional sale agreement Mr H entered into, I'm satisfied this is a complaint we can consider.

In considering what's fair and reasonable, I need to have regard to the relevant law and regulations. The Consumer Rights Act 2015 (CRA) is relevant to this complaint. It says that under a contract to supply goods, there is a statutory right for the goods to be of satisfactory quality.

To be considered satisfactory, the goods would need to meet the standard that a reasonable person would consider satisfactory – taking into account any description of the goods, the price and all other relevant factors such as age and mileage of the car at the time it was supplied.

As I previously explained, Mr H acquired a used car that was around eight years old and had travelled 78,626 miles. The cash price of the car was around £6,000.

I'm satisfied a reasonable person would have the expectation that the quality of Mr H's used car would be less than that of a new car. I say this because a new car would cost considerably more, and all parts and mechanics would be new at the point of supply.

I need to consider if Mr H's car was of satisfactory quality or not. To do so, I must decide if the issues with the car Mr H now faces were inherent or developing at the point of supply, or if instead they are as a result of wear and tear.

In March 2024, an independent engineer examined the car and said:

*"On inspection of the exhaust assembly we can confirm the exhaust downpipe was broken at the exhaust joint."*

*"when attempting to start the engine from its cold condition the engine was found to be turning over fast and sounded to be low on compression with evidence of blow back coming through the coolant reservoir tank."*

*This would suggest potential head gasket fault but further investigation should be carried out under workshop conditions."*

It went on to say:

*“We consider, with the elapsed timeframe and mileage covered from purchase to failure, the faults identified were not present at purchase.”*

And:

*“It will most likely be appreciated that had the condition been present the point of sale, we would have expected it to materialise much sooner, due to how the fault develops and within the first 1500 miles of use.”*

Having reviewed the engineers report in detail, I think it's reliable evidence that these issues weren't present or developing at the point of supply. And I haven't seen anything to suggest the conclusion that if had they been, Mr H's car would have failed much sooner or after having travelled much less distance is incorrect.

Mr H says the fault with the car's exhaust downpipe developed as a result of the exhaust system not being refitted correctly when the supplying dealership replaced the car's catalytic converter in August 2023.

Mr H says he wasn't provided any paperwork relating to the repair and Moneybarn haven't been able to obtain confirmation from the dealer either. The engineer also said in his report:

*“There was no evidence of any unsuccessful previous repairs.”*

I have seen an email that appears to be from the garage that Mr H took the car to for repairs. This says:

*“As per our telephone conversation just there the Exhaust front/downpipe needs to be replaced as its been broken for some time by the looks of it when the CAT was changed this wasn't done and this should have been done at the same time!”*

I've carefully thought about this. While it says it has been broken 'for some time', there isn't any specific details about when this might be. Nor is it explained when the 'CAT' was changed, or any reasons for the conclusions reached. And I need to weigh this up against the fact the report didn't identify any failed repairs.

For the reasons I've already explained, on balance I'm satisfied if there had been an issue with the exhaust system, either at the point of supply or because of a failed repair soon after, the faults Mr H experienced in January 2024, would have materialised much sooner.

I've also considered if the car supplied to Mr H was durable. But, considering the miles covered and the time that had passed at the point the faults were identified, I'm satisfied it was.

In summary, I'm satisfied the car was of satisfactory quality when supplied to Mr H and I won't be asking Moneybarn to do anything to put things right.

### **My final decision**

For the reasons I've given, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 14 March 2025.

Sean Pyke-Milne

**Ombudsman**