

The complaint

Mrs S complains about a used car she acquired through a conditional sale agreement with Moneybarn No.1 Limited ("Moneybarn"). The car suffered a significant fault that required an engine rebuild and Mrs S is unhappy as Moneybarn won't refund her the repair costs.

What happened

In March 2023, Mrs S acquired a used car using a conditional sale agreement she took out with Moneybarn. The car was approaching ten years old, had travelled 112,000 miles and cost £8,240. In December 2023, the car developed a serious issue with was later diagnosed as a problem with the timing chain.

Mrs S asked the dealership to cover the cost to repair the car, but they refused to help. So, she complained to Moneybarn who didn't uphold her complaint. Mrs S then referred her complaint to our service. One of our investigators looked into what had happened but didn't recommend that the complaint should be upheld. In summary, he wasn't persuaded there was enough evidence to show the car wasn't of satisfactory quality when it was supplied to Mrs S. And he didn't think the dealership had misrepresented that the car was fully serviced.

Mrs S was understandably unhappy with our investigator's view. She felt the car hadn't been serviced properly before it was supplied to her. And she said Moneybarn hadn't given her enough time to provide a report on what had happened with the car, and why it had happened.

As the complaint couldn't be resolved informally, it's been referred to me as the last stage in our process.

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.

I want to acknowledge that I've summarised the events of the complaint. I don't intend any discourtesy by this – it just reflects the informal nature of our service. I want to assure Mrs S and Moneybarn that I've reviewed everything on file. If I don't comment on something, it's not because I haven't considered it. It's because I've concentrated on what I think are the key issues. Our powers allow me to do this.

Mrs S acquired the car through a conditional sale agreement with Moneybarn and as the supplier of the car, Moneybarn is responsible for its quality. Where the car is found to not be of satisfactory quality, Moneybarn can be held liable for that. The Consumer Rights Act 2015 (CRA) is relevant legislation when considering the quality of goods and services. This essentially says that the car should be of satisfactory quality at the time it was supplied to Mrs S.

Satisfactory quality is what a 'reasonable person' would expect, considering amongst other things the age and price of the car. Section 9 of the CRA refers to satisfactory quality and notes that the quality of goods includes their state and condition. It goes on to list the following aspects, amongst others, of the quality of goods: (a) fitness for all the purposes for which goods of that kind are usually supplied; (b) appearance and finish; (c) freedom from minor defects; (d) safety; (e) durability.

Mrs S acquired a used car in March 2023 which cost £8,240. It was approaching ten years old and had travelled 112,000 miles when Mrs S got it. When considering a car of this age and mileage it would in my view not be unreasonable to expect it to be showing signs of wear and tear and not be in the same 'as new' condition that it would have been in when first manufactured. This will be in relation to the mechanical components and its cosmetic appearance. The price Mrs S paid for the car was considerably cheaper than the cost of the car new, and this is to take into account the general condition, mileage and wear and tear the car had experienced since being manufactured.

Mrs S had the car for around nine months, and I understand had travelled over 12,000 miles before the significant problem with the timing chain materialised. The timing chain is a key internal component within the engine and had the timing chain been broken when the car was supplied, I consider it unlikely Mrs S would have been able to use the car for as long as she did before experiencing a problem.

However, as I've referred to above, one element of satisfactory quality under the CRA relates to durability and that ultimately means that goods should last a reasonable amount of time. Exactly what is a reasonable amount of time will depend on several factors but of significant relevance here in my view are the fault and the mileage the car has travelled. The fault here is a significant problem within the engine and the engine is obviously a key part of the car. Unlike a car's timing belt, the timing chain isn't considered to be a serviceable item and the timing chain isn't usually intended to be changed. General expectations are that the timing chain should last the lifetime of the car.

Exactly what the lifetime of the car equates to in years and miles isn't clearly defined. It will also depend on other factors such as the way the car has been used and the way it has been serviced. I again accept the timing chain is a key component within the car's engine and I can understand why Mrs S is unhappy with its failure. But the car in this instance travelled approaching 125,000 miles before it failed. This isn't an insignificant amount of mileage and doesn't in my view show that the timing chain, along with its associated components, weren't sufficiently durable. Nor have I seen sufficient evidence that the timing chain was on the verge of failing when the car was supplied so that the dealership should have replaced this. As I have found the timing chain was durable, this means that I have also found the car was of satisfactory quality when supplied. And Moneybarn is not therefore responsible for the failure or resulting repair costs.

I fully appreciate my decision here will disappoint to Mrs S and I understand the difficult position she was left in, in having to pay significant repair costs. I don't however consider there is enough evidence in this case to find Moneybarn liable for the costs of repairing the car because of the timing chain problem.

My final decision

For the reasons I've given, I don't uphold Mrs S's complaint against Moneybarn No.1 Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 13 February 2025.

Daniel Picken
Ombudsman