

## **The complaint**

Mrs P has complained about the quality of a car provided on finance by Moneybarn No.1 Limited (Moneybarn).

## **What happened**

Moneybarn supplied Mrs P with a used car on a conditional sale agreement in June 2023. The cash price of the car was around £7,000 and it had covered around 105,200 miles since first registration in March 2019. The conditional sale agreement required payments of around £180 for 59 months. The total amount payable was around £10,600.

Mrs P said that the car broke down in April 2024. She said she was on the motorway and the car was recovered from the roadside to a third-party garage, but they were unable to inspect the car. The car was moved to another garage who I'll call S, who diagnosed catastrophic engine failure.

Mrs P complained to Moneybarn and supplied the report from S. Moneybarn said that due to the length of time the car had been in Mrs P's possession she needed to demonstrate that the car wasn't of satisfactory quality when it was supplied. It asked Mrs P to provide a more in-depth report.

Mrs P said that garage S was unable to do a more detailed inspection, so she paid for the car to be moved to another third-party garage I'll call D. Mrs P said that the car was being inspected and she was waiting for the report when Moneybarn issued its final response.

Moneybarn said that it had asked for evidence to be provided by 28 May 2024 but as it hadn't been forthcoming, it issued its response based on the information that it had. It said the timing belt was a serviceable item and something that should be factored into maintaining a second-hand car. It also said previous MOTs hadn't indicated any problems.

Mrs P sent D's inspection report to Moneybarn in June 2024. She said that Moneybarn failed to consider this further, and she didn't get the support that she needed.

Mrs P referred her complaint to our service. She said that Moneybarn issued a response before the report was completed and it incorrectly referred to a timing belt, instead of a timing chain as they were different parts. She also said that the MOT wasn't relevant as this part wouldn't be inspected.

Mrs P said the car was sold with a full service history in line with manufacturer recommendations and the timing belt had been replaced at the correct interval. She said she only had the car for ten months and had driven less than 4,000 miles. Mrs P said the fault was present when the car was supplied as the manufacturer accepted there was a problem.

Mrs P said that she had incurred a financial loss due to having to pay to transport the car for inspections and reports, and she was still making monthly payments for the car. She said she had also incurred costs to keep herself mobile and couldn't afford to replace the engine.

Mrs P said that she had been in touch with the manufacturer who was aware there was an inherent fault with the drive chain and they now use a different type. She said the manufacturer wouldn't assist due to the age and mileage of the car.

Mrs P said that she wanted to reject the car and end the agreement, with a refund of her payments since the car broke down, and associated costs.

An investigator here looked at the complaint. He said that there wasn't sufficient evidence that there was a fault which made the car of unsatisfactory quality at the point of supply. He didn't recommend that Moneybarn do anything to resolve the complaint.

Mrs P disagreed and reiterated that media reports indicated there was a manufacturing defect and the manufacturer had confirmed this in communication to her.

The complaint has been passed to me to make a decision.

### **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've read and considered the evidence submitted by both parties, but I'll focus my comments on what I think is relevant. If I don't comment on a specific point, it isn't because I haven't considered it, but because I don't think I need to comment in order to reach what I think is the right outcome. This is not intended as a discourtesy but reflects the informal nature of this service in resolving disputes.

Where the evidence is incomplete or inconclusive (as some of it is here), I reach my decision on the balance of probabilities – in other words, what I consider is most likely to have happened in light of the available evidence and the wider circumstances.

The agreement in this case is a regulated consumer credit agreement. As such, 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 their quality.

The Consumer Rights Act 2015 (CRA) is of particular relevance to this complaint. It says that under a contract to supply goods, there is an implied term that "the quality of the goods is satisfactory."

The CRA says the quality of goods are satisfactory if they meet the standard that a reasonable person would consider satisfactory taking into account any description of the goods, the price and all the other relevant circumstances. In a case involving a car, the other relevant circumstances might include things like the age and mileage at the time of supply and the car's history.

The CRA says the quality of the goods includes their general state and condition and other things like their fitness for purpose, appearance and finish, freedom from minor defects, safety, and durability.

When Mrs P acquired the car in June 2023 the mileage was around 105,200 and the cash price was around £7,000. The car was first registered in March 2019, so by this stage it was around four years old. The mileage at supply appears high considering its age, and it wouldn't be unreasonable to expect the car to be showing some signs of wear and tear, and that might include the underlying components. The price paid usually reflects the age and condition of the car.

As a starting point there would need to be some evidence of what the fault was. And secondly, that the fault renders the car of unsatisfactory quality. It doesn't seem in dispute that there is a fault with the car.

When something goes wrong with a car it isn't automatically something that the finance provider is responsible for. Sometimes the underlying components of a car suffer wear and tear which might mean that they come to the end of their serviceable lifespan during the course of a finance agreement.

Moneybarn aren't required to supply a working car for the whole of the agreement. Unfortunately, due to the nature of mechanical engineering sometimes things go wrong that can't be anticipated, and it is the consumer's responsibility to pay for maintenance and repairs. But the goods do need to be of satisfactory quality at the point of supply.

Mrs P has supplied an image of the odometer which indicates the mileage covered until the car failed was around 109,100. Mrs P was able to drive the car for around 3,900 miles before the car broke down in April 2024. This is important to note as some of the issues may have arisen or become apparent during this time and they may not have been present or developing at the point of supply.

Mrs P had the car inspected and has provided the reports. Both reports indicate the engine is beyond economical repair due to catastrophic damage to all engine components. The later report indicated that the main cause was due to the failure of the camshaft drive chain. The difficulty here is that neither report made any comment on whether the failure of the camshaft drive chain was due to a manufacturing defect, or that the fault was present or developing at the point of supply, which is what I need to establish.

The issue with the camshaft drive chain could be due to damage sustained during Mrs P's possession of the car, or reasonably expected wear and tear, which wouldn't be Moneybarn's responsibility. Or it could point to a defect that was present at the point of supply. The evidence is incomplete.

I appreciate that Mrs P said that the drive chain fault relates to a well-known manufacturing defect. She's supplied media reports which indicate that there might be a problem. And evidence of communicating with the manufacturer. But just because a manufacturer changes the type of component it doesn't mean that every car it manufactured before then isn't of satisfactory quality. I've not found any evidence that this particular car was subject to a recall for the drive chain or that the manufacturer agrees that there was an inherent fault which would be covered by a goodwill scheme. I've noted that the goodwill scheme had specific criteria, including mileage, which had already been exceeded before Mrs P acquired the car. So, I'm not clear that the car would have been eligible anyway.

It's important to note that the drive chain lasted more than 100,000 miles before there was a problem. Mrs P said that the chain is not a serviceable item, and it carries no manufacturer's recommendation for replacement, and should last the lifetime of the car. But that doesn't mean that this part of the car can be guaranteed to last indefinitely, because of the nature of how it interacts with the rest of the engine, and the reliance on other factors such as maintenance. I've not seen enough to conclude that the part has failed prematurely.

I've considered other evidence available to me such as the MOT and servicing history. There aren't any indications from the MOT history of earlier engine issues, but I'm conscious the camshaft drive chain is a part that might not be immediately accessible or visible during a check.

Mrs P has provided a copy of the servicing history, which indicates the first service was in January 2020 at around 32,300 miles. A subsequent service was completed in December 2020 at around 49,000 miles. The next service was in November 2021 at around 66,000 miles and then around 84,400 miles in June 2022 and around 105,000 miles in May 2023. A further service was conducted just before Mrs P acquired the car. Although it appears to have a service history, given the high mileage in relatively short periods of time there might have been need for additional servicing. The manufacturer recommended servicing intervals aren't clear, but it seems the recommended interval might be annually or every 12,000 miles whichever came first. It doesn't seem that has happened here, which might have impacted the lifespan of key parts of the engine.

Given the servicing intervals and a closer examination of the history of the car it might indicate that the car hasn't been serviced as expected. Failure of the camshaft drive chain could also be attributed to poor maintenance and lack of lubrication. But we might never know what happened. Unfortunately, the history of the car is an unknown risk when buying a used car, but that is usually reflected in the price. The service history and maintenance, either before or after supply, might be a key factor in what has caused the catastrophic failure.

I've not seen sufficient evidence to clearly say that there was a fault that made the car not of satisfactory quality at the point of supply. I've considered Mrs P's evidence carefully, but I can't say on the balance of probabilities it is more likely that the car had an inherent fault. I'm not saying something definitely didn't go wrong, merely that I don't think it was unreasonable for Moneybarn to have expected there to be more persuasive evidence that the car wasn't of satisfactory quality when it was supplied.

I can understand that Mrs P is disappointed that the car has such a significant problem, that might not be cheap or easy to rectify, and she has already incurred costs to transport and diagnose. But the reports haven't made any link to something that made the car of unsatisfactory quality at the point of supply. What I have to bear in mind is that just because I've seen there was a significant problem with the car which came about around ten months after supply, this doesn't necessarily mean the car wasn't of satisfactory quality when it was supplied.

I'm sorry to disappoint Mrs P, but without sufficient evidence of a fault which made the car of unsatisfactory quality at the point of supply, I find I don't have the grounds to direct Moneybarn to do anything further.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P to accept or reject my decision before 9 April 2025.

Caroline Kirby  
**Ombudsman**