

The complaint

Mrs R complains about the quality of a used car she acquired through a conditional sale agreement with Moneybarn No. 1 Limited ('Moneybarn'). Mrs R says that she has had problems with the car since it was supplied to her. She has tried to return it as she doesn't feel safe driving it, despite the dealership saying the car is fixed.

What happened

Mrs R's complaint is about the quality of a car. The car was used, and it was first registered in October 2016. So, it was seven years old when Mrs R received it and it had covered 99,879 miles.

Mrs R acquired the car using a conditional sale agreement that was started in December 2023. The vehicle had a retail price of £15,796. All of this was financed. This agreement was to be repaid through 59 monthly instalments of £412.15. If Mrs R made repayments in line with the credit agreement, she would need to repay a total of £24,316.85.

Below is a summary of the issues complained about by Mrs R and the investigation and repair work that has been carried out by the dealership and an independent reporting company, alongside what has happened in respect of the complaint.

In April 2024, Mrs R was experiencing some issues with the car. These were related to a gearbox malfunction, an intermittent engine management light ('EML') and a rattling noise from the exhaust. The dealership that looked at the car at the time said it did find a problem relating to the car having a low voltage, an exhaust rattle and, I understand, an exhaust sensor. The correspondence I have seen shows these faults were rectified in May 2024 under the car's warranty.

Mrs R had complained to Moneybarn about the problems she had with the car. Moneybarn considered this complaint and didn't uphold it. It said that the broker had told it that the car had been looked at in respect of a gearbox problem which was a fault code due to low voltage, this was rectified, a rattle caused by the exhaust damper was fixed and the EML was also rectified. They thought that the vehicle had been fully repaired.

Mrs R didn't agree with this and brought her complaint to the Financial Ombudsman Service. She doesn't think that the problems with the car are fully resolved. She said that the car has a problem with acceleration and power delivery. She says there is still an intermittent engine warning light.

Mrs R has had the car looked at by a garage and it has provided an estimate of the work that it thinks needs doing on the car. It's identified that the car needs a new timing chain as this has become stretched over time. This work has been estimated to cost £1,753.74 to complete.

Moneybarn has also had the car inspected by an independent reporting company. This report was completed in September 2024 when the car had covered 108,594 miles. The

report concluded that the timing chain problems were likely due to wear and tear and not indicative of the car being of unsatisfactory quality.

Our Investigator didn't uphold Mrs R's complaint. She said that the early problems with the car were repaired. But the present issue with the timing chain was due to wear and tear over the life of the car. So, it didn't indicate that the car wasn't of satisfactory quality.

Mrs R didn't agree with the Investigator and asked that the complaint be reviewed. This matter has been passed to me to make a final 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.

In considering what is fair and reasonable, I need to have regard to the relevant law and regulations, regulators' rules, guidance and standards, codes of practice and (where appropriate) what I consider was good industry practice at the relevant time.

The agreement in this case is a regulated conditional sale agreement – so we can consider a complaint relating to it. Moneybarn as the supplier of the goods under this type of agreement is responsible for a complaint about their quality.

The Consumer Rights Act 2015 ('CRA') is relevant 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'.

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 the other relevant circumstances. So, it seems likely that in a case involving a car, the other relevant circumstances a court would consider might include things like the age and mileage at the time of sale and the car's history.

The CRA 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 can be aspects of the quality of goods.

This car was around seven years old when Mrs R acquired it and it had travelled around 100,000 miles. I think a reasonable person would accept that such a vehicle would probably have some parts that are worn and would need replacing sooner or later – which is reflected in the lower price paid in comparison to a new vehicle.

But there's also a reasonable expectation that a vehicle will be relatively durable - taking into account its age, price and mileage at the outset. So even though the vehicle wasn't new Mrs R should have been able to use it for a reasonable period before it needed significant work.

Was there a fault with the car?

It's been established that the car Mrs R purchased had some problems early on in her time of ownership. This included some issues with the gearbox, an EML was intermittently present and there was a rattling noise from the exhaust. These were repaired under the cars warranty at no cost to Mrs R

But the car now has developed a problem with the timing chain, and it seems likely that this will need to be replaced. Both a garage and an independent reporting company have confirmed this, and this is a significant, and expensive, repair.

Was the car of satisfactory quality bearing in mind the fault?

I've concentrated on the recent fault with the timing chain. To be able to say that the car wasn't of satisfactory quality I need to be able to say that this problem was due to a fault with the car, rather than it being due to ordinary wear and tear that could reasonably be expected in a car of this age, and the distance it has travelled.

The dealership that has looked at the car said that it needed a new timing chain and that this is a common issue with this type of car. But it did also say that it is a serviceable repair and there were no mechanically failed components, and so any repair wouldn't be covered by the warranty. This indicates to me that the timing chain fault is due to ordinary wear and tear.

The independent report said the car was in generally good condition but there was a 'rattle' from the timing chain. And there were stored error codes relating to this and the diesel particulate filter. The report also confirmed that the car likely needed a new timing chain. The report concluded that:

'based on the evidence available to ourselves at the time of inspection, we were able to confirm faults with the vehicle. We consider with the elapsed time and mileage covered, the faults identified would not have been present or in development at sale.'

I think it's reasonable to say that both the estimate from the dealership and the independent report both indicate, and say in the report, that the timing chain needs to be replaced due to ordinary wear and tear, rather than a fault with the car. So, I think the investigations into the car's problems show that these are due to the age and distance the car has travelled, rather than the car being faulty.

Added to this, the car had travelled around 100,000 miles when Mrs R bought it, and she has been able to drive it around 9,000 miles since she acquired it. I appreciate the car wasn't entirely problem free over this time, but this also suggests that there wasn't a significant engine problem either present or developing at the time of sale. It isn't unusual for a timing chain to need to be replaced after a car has travelled over 100,000 miles.

It follows that, having looked at everything, I don't think there is enough for me to say that the car was not of satisfactory quality when it was supplied. And whilst the car timing chain problem is unfortunate, I don't think that Moneybarn should be responsible for putting the faults with the car right or paying any compensation.

My final decision

For the reasons set out above, I don't uphold Mrs R's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs R to accept or reject my decision before 25 April 2025.

Andy Burlinson
Ombudsman