

The complaint

Mr C complains about the quality of a used car he acquired through a conditional sale agreement with Moneybarn No. 1 Limited ('Moneybarn'). Mr C says that the car isn't of satisfactory quality as it has been leaking oil from the time he acquired it. He thinks the car should be repaired and that Moneybarn should pay for the repairs.

What happened

Mr C's complaint is about the quality of a car he acquired in September 2023. The car was used, and it was first registered in December 2015. So, it was just under seven years old when Mr C received it. It had covered 73,258 miles.

Mr C acquired the car using a conditional sale agreement that was started in September 2023. The vehicle had a retail price of £9,734. Mr C paid a £5,000 deposit meaning £9,274 was financed.

This agreement was to be repaid through 60 monthly instalments of £296.70. If Mr C made the repayments in line with the credit agreement, he would need to repay a total of £18,005.30.

Mr C has complained about the quality of the car. Below is a summary of the issues complained about by Mr C and the investigation and repair work that has been carried out by the dealership and some other garages, alongside what has happened in respect of the complaint.

Mr C has said that as soon as he acquired the car he noticed that it was consuming a lot of oil. He said he called the dealership about this, and was told it was normal for a car of this age. There is no further record of this contact, and no work was done on the car at this time.

Mr C had the car serviced in March 2024 and the service records show that it was leaking oil and required urgent attention due to this. Mr C says he was told that the oil leak was around the crankshaft, and it needed some seals replacing. The car had travelled 82,628 miles at this point, so Mr C had driven it 9,370 miles.

The car also needed a repair to the suspension which has been completed, I understand under warranty. This complaint isn't about this repair.

The oil leak has not been repaired, and Mr C has indicated that he is not prepared to pay for this partly due to the expense of it and that he thinks Moneybarn, or the dealership, should repair the car.

Mr C complained to Moneybarn saying that the car was leaking oil, and he would like this repaired.

Moneybarn considered this complaint, and it didn't uphold it. It said that it wasn't confirmed that the current faults with the vehicle were present or developing at the point of sale. The car had passed a recent MOT test in August 2023 and had recorded 82,600 miles so Mr C

had significant use of the car. It had covered 9,342 miles before any problems were raised. It thought the oil leak was ordinary wear and tear.

Mr C didn't agree with this and brought this complaint to the Financial Ombudsman Service.

In September 2024 Mr C confirmed he was still using the car, it had not been repaired, and it had a current mileage of 90,339. As far as I have been made aware there is no change in this situation, in that Mr C is still using the car.

Our Investigator didn't uphold Mr C's complaint. She said that the fault with the car was diagnosed later than six months after Mr C acquired it. So, it wasn't proven that the car had failed prematurely or that it was of unsatisfactory quality when Mr C acquired it. She didn't think Moneybarn should now repair the car.

Mr C didn't agree with the Investigator. He said that he discovered the high usage of oil a few weeks after he started using the car and this was confirmed at the 8,000 mile service.

He also said the car's MOT records show that it failed an MOT in June 2023 due to an oil leak. Because Mr C didn't agree, 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 – considering 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 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 this.

This car was almost seven years old when Mr C acquired it, and it had travelled around 73,000 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, Mr C should have been able to use it for a reasonable period of time before it needed significant work.

Was there a fault with the car and was it of unsatisfactory quality

I've seen evidence that shows this car has had a problem with the suspension and it has an oil leak. The problem with suspension has been rectified but the oil leak has not been repaired.

Whilst I have noted these faults and problems, this doesn't necessarily mean that the car wasn't of satisfactory quality at the time of supply. The overriding factor here is that this was a used car that had travelled a significant number of miles before Mr C acquired it. So, it was always going to need some repairs and maintenance over time, as it did. I've thought about whether the work that the car needed was reasonable for a car of this age and prior usage.

Moneybarn said the faults happened too far on from the point of supply for them to have been present when supplied. But I need to consider whether the car was durable. If parts or systems of the car fail prematurely, this might indicate there was already a problem with it when it was supplied.

Mr C had the car looked at by a garage just over six months after he acquired it. And the reason for the oil leak was diagnosed then. As our Investigator outlined, if a fault is found more than six months after the time of supply, then it would usually need to be shown that it was likely to be present, or developing, at the time of sale to say that the car wasn't of satisfactory quality. There isn't the assumption, under the CRA, that a fault that is diagnosed after six months of use would have been present at the time of sale.

I've thought about whether it likely that the car had an oil leak, that would make it of unsatisfactory quality, at the time Mr C acquired it.

Mr C says that he noticed the car was consuming a large amount of oil very shortly after he acquired it. And that he brought this to the attention of the dealership. But there isn't a record of this or what may have been discussed at this time. So, I don't believe that it's established that the car had this problem straight away.

The information I've seen about the problem with the oil leak is that some of the seals in the engine have degraded over time. And this has led to the car leaking and / or consuming more oil than it should. But this seems to me to be a wear and tear issue and something that would happen normally over the life of the engine. It isn't indicative of a fault with the car, rather that it's just older and more travelled. So, whilst this would have happened over the life of the car, and be due to its usage, I don't think it makes the car of unsatisfactory quality.

And Mr C has clearly been able to use the car. I understand he has been able to drive it over 20,000 miles. I think if the engine was faulty, to the degree that it wasn't of satisfactory quality, he wouldn't have been able to use the car this amount. So, I don't think I can say the engine hasn't been durable or that it has failed prematurely.

Mr C says that there was some evidence of oil leaks in an earlier MOT. But, as I've said above, a car of this age and distance travelled may have this kind of problem for a variety of reasons. And I've seen no persuasive evidence that any oil leaks were connected to the present problems Mr C says he has with the car.

So, 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. 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 Mr C's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 1 July 2025.

Andy Burlinson
Ombudsman