

## **The complaint**

Mr M complains about the quality of a used car that was supplied through a conditional sale agreement with Moneybarn No. 1 Limited (Moneybarn). Mr M also complains that the car was misrepresented to him.

## **What happened**

In January 2023, Mr M acquired a used car through a hire purchase agreement with Moneybarn. The car was about seven years old and had travelled 63,907 miles when it was supplied. The cash price of the car was £9,169. Mr M paid a deposit of £2,000, so the total amount financed on the agreement was £7,169 payable over 59 monthly repayments of £218.32.

Mr M said that when he acquired the car, he asked that the car be checked over including a replacement of the timing chain, however he was told by the dealership that it didn't need to be changed.

Mr M said the timing chain failed around 15,000 miles later in May 2024, and believes it was the responsibility of the dealership, so Mr M complained to Moneybarn about the issues. Mr M says he wants his money back for what he's spent on the car which was about £6,000.

In June 2024 Mr M requested to voluntarily terminate (VT) the agreement; and in July 2024 the car was returned to Moneybarn who confirmed the repair costs to get it back to a fair wear and tear standard would be £4,000. This was in addition to the outstanding VT agreement balance of £2,083.96. In the circumstances, Moneybarn advised they'd auction the car and deduct the proceeds from the outstanding balance.

In July 2024 Moneybarn issue their final response. In summary, it confirmed that the gearbox failed, and the timing chain was damaged causing the engine guides to collapse and other parts to fail. However, it said as the issues began after Mr M had travelled 14,500 miles they wouldn't have been present at the point of sale. Moneybarn didn't uphold Mr M's complaint.

Unhappy with their decision, Mr M brought his complaint to our service where it was passed to one of our investigators to look into.

Mr M provided us with a recording of a phone call he had with what appears to be the broker. During the phone call Mr M was told, before acquiring the car, that if a timing chain replacement was due at the car's mileage, or it looks like it needed one then it would be replaced for him. The broker confirmed the current mileage and added that if the car was at 75,000 miles, then the dealer would probably replace the timing chain at cost for Mr M.

Mr M also complained that he was mis-sold the car. Moneybarn customer notes, show that Mr M said he was told there was a lifetime guarantee on the timing chain as it was a part that would never need changing.

The investigator recommended that Mr M's complaint should not be upheld. The investigator concluded there was no evidence of an underlying defect and that the car was of satisfactory

quality when it was supplied. The investigator also concluded that there was no evidence of a misrepresentation.

Mr M didn't accept the investigator's assessment and so the case has been referred 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've thought about all the evidence and information provided afresh and the relevant law and regulations, regulators' rules, guidance and standards, codes of practice and (where appropriate) what I consider to have been good industry practice at the relevant time.

Mr M complains about a conditional sale agreement. Entering into consumer credit contracts like this is a regulated activity, so I'm satisfied we can consider Mr M's complaint about Moneybarn. Moneybarn is also the supplier of the goods under this agreement, and is responsible for a complaint about their quality.

The Consumer Rights Act 2015 (CRA) is relevant in this case. It says that under a contract to supply goods, there is an implied term that "*the quality of the goods is satisfactory, fit for purpose and as described*". To be considered as satisfactory, the CRA says the goods 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. The CRA also explains the durability of goods is part of satisfactory quality.

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 vehicle's history.

My starting point is that Moneybarn supplied Mr M with a used vehicle that had travelled 63,907 miles. With this in mind, I think a reasonable person would expect the level of quality to be less than that of a brand-new car with lower mileage; and that there may be signs of wear and tear due to its usage which may impact its overall quality and reliability, so there'd be an increased likelihood of unforeseen problems surfacing sooner than in a new vehicle.

From the information provided I'm satisfied there was a fault with the car. This is apparent from a garage invoice advising of a misfire and smoking badly and timing chain guides collapsed. Cylinder head and timing chain required.

As I'm satisfied the car was faulty, it seems to me there are two key issues for me to consider in relation to this complaint:

1. Was the car of satisfactory quality when supplied to Mr M?
2. Was the car mis-sold to Mr M?

### ***Satisfactory quality***

Mr M said he was told by the broker that the timing chain would be replaced prior to supply, he also said that he was told that the timing chain wouldn't need replacing.

In consideration of the age and mileage of when the car was supplied, I don't think the timing chain has necessarily failed prematurely. Mr M provided various screen prints of webpages which gave an idea of when the timing chain should be replaced. The advice ranges from around 60,000 to around 95,000 miles (albeit some of the guidance is presented in kilometres)

During a phone call with the broker, Mr M was told that the dealership would check the car and if required would replace the timing chain for free if it was due, the broker then went on to advise that it would normally be around 75,000 miles before it would be considered. Having thought about this, I'm not persuaded that Mr M was given any firm assurances that the timing chain would be replaced prior to it being supplied to him.

The garage invoice dated 27 June 2024, provided by Moneybarn, is the only evidence I have seen from a professional of the condition of the car and the faults. The mileage is recorded as 79,418. This means Mr M was able to use the car for around 18 months and travel around 15,511 miles before the timing chain failed. Considering the age and mileage when it was supplied, I'm satisfied Mr M had a reasonable duration of usage before it failed.

In addition, I think Mr M would likely have been aware, from the phone call with the broker that around 75,000 miles would be a reasonable time to have the timing chain replaced. During the phone call, Mr M also confirmed he had guidance which suggested the timing chain should be changed around 74,000 miles. I think it would have been reasonable in the circumstances, had Mr M brought the car to a mechanic, when the mileage had reached around 70,000, to consider having the condition of the timing chain assessed.

I've seen no evidence that Mr M was told the timing chain would be replaced, or that it would last the lifetime of the car. I'm satisfied however from the information provided that the timing chain didn't need replacing at the point of supply.

I've also considered whether there was a misrepresentation at the point of supply. This would be where Mr M was induced into acquiring the car through a false statement of fact made by the broker, or by the omission of key information, which would amount to misrepresentation by omission. However, in relation to the timing chain, for the reasons given, I'm satisfied that a false statement of fact wasn't made or that key information was omitted. so, I don't think the car was misrepresented to Mr M.

As I've concluded that the car was of satisfactory quality at the point it was supplied, and that it wasn't misrepresented to Mr M, I don't require Moneybarn to take any action in respect of this complaint.

### **My final decision**

My final decision is that I don't uphold Mr M's complaint about Moneybarn No. 1 Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 25 June 2025.

Benjamin John  
**Ombudsman**