

## **The complaint**

Mr H complains Moneybarn Limited (Moneybarn) supplied him with a car that he believes wasn't of satisfactory quality.

## **What happened**

In March 2023, Mr H entered into a 43 month conditional sale agreement for a used van. It's cash price was £6,790, it was first registered in 2014 and it had travelled over 106,400 miles. The monthly instalments were £249.

Around June 2023, Mr H complained to Moneybarn that the van was faulty, it had travelled around 108,400 miles at that point. Mr H said he couldn't work due to the faulty van therefore he wouldn't be making any further payments towards the agreement.

An independent inspection was carried out in August 2023. It was found that there was a fault with the engine, specifically the timing belt. It said the fault would not have been present at supply but a long term issue developing over an extended period. However it also went on to say the timing belt change interval is every 120,000 miles or 10 years so the fault could be categorised as being premature but could also be the result of oil related issues. It concluded the van wasn't durable at supply given the miles covered since purchase.

Based on the conclusion of the inspection report, Moneybarn upheld the complaint. They said in October 2023 the supplying dealership had agreed to cover the cost of the repairs at a third party garage. However there had been some delays caused by the repair garage and the warranty company but the repairs were underway. They also paid £100 compensation for the trouble and upset caused. As the account had fallen in arrears, Moneybarn said the agreement was at risk of defaulting and asked Mr H to contact them about it to discuss his financial circumstances.

Unhappy with their response, the complaint was referred to our service. The investigator recommended the complaint wasn't upheld. He said based on the mileage covered, the fault was down to wear and tear meaning the van was of satisfactory quality at supply. However he said Moneybarn had acted fairly by arranging repairs to be carried out. He advised Mr H to contact Moneybarn about the arrears.

Mr H disagreed. He reiterated his stance and in summary said:

- The van hadn't been returned to him;
- The situation should've been resolved sooner as he's been without the van for several months and unable to work;
- He never received the log book, the van isn't in his name and he's received several penalty charge notices;
- This situation had impacted financially and mentally and in recent months he has been in poor health.

In December 2024, I issued a provisional decision outlining my intentions to uphold the case. I said:

*“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. In a case involving a car, the other relevant circumstances a court would take into account might include things like the age and mileage. The quality of goods includes other things like fitness for purpose, appearance, freedom from minor defects, safety and durability.*

*In this case, Mr H acquired a van that was around nine years old and had travelled over 106,400 miles. As this was a used van with considerable mileage and age, it’s reasonable to expect parts may already have suffered substantial wear and tear when compared to a new van or one that is less travelled. Meaning there’s a greater risk this car might need repair and/or maintenance sooner than a car which wasn’t as road-worn.*

*Moneybarn accepted the findings of the independent inspection report stating the van wasn’t durable meaning it wasn’t of satisfactory quality. As that’s not in dispute, I don’t need to comment any further on this. In my opinion, what’s left in dispute is whether enough has been done to put things right. Having considered the same, I don’t believe it has.*

*Where a vehicle has been found not to be of satisfactory quality and it’s outside the short term right to reject, the relevant law says there should be one opportunity of repair. I would expect that repair to be at no cost to the consumer, carried out within a reasonable period of time and without significant inconvenience to the consumer.*

*Based on correspondence I’ve seen, repairs were agreed as the supplying dealership had confirmed they would cover the cost. From my understanding that was agreed around November 2023. However there appears to be delays caused between the repair garage and the warranty company. This meant the repairs didn’t start until some time in January 2024 and the van wasn’t returned to Mr H until February 2024. That’s a few months after Mr H was told the van would be repaired and several months after he first reported the faults. As Mr H uses the van for work purposes, I can understand why being without it for such a significant period of time caused him significant inconvenience which he says meant he couldn’t work and didn’t have the money to pay the instalments.*

*I note at the time the fault was reported (around June 2023), the van had covered around 108,400 miles. According to Mr H this is when the van was returned to the dealership and he stopped driving it. However I can see by the time of the inspection in August 2023, the van had travelled around 112,300 miles meaning it had travelled at least 3,900 miles since the fault was first reported. In absence of clear evidence to say otherwise, I find Mr H stopped driving the van in June 2023.*

*Following the inspection report, Moneybarn has said the repairs have been carried out but Mr H has told our service that the repairs haven’t fixed the fault. However he hasn’t provided any evidence to support that so I can’t reasonably say the repairs haven’t fix the fault. On balance, I find that it did. But if Mr H wishes to provide evidence to support his stance that the repairs failed and the fault remains, I will consider it before reaching a final decision. From my understanding, he’s currently using the van. If that’s the case, I would expect him to pay for that use.*

*Mr H was left without the van for an extended period of time and wasn’t provided with a courtesy vehicle, however I don’t find Moneybarn has fairly taken this into consideration when reviewing the complaint. To account for the time Mr H was left without the van, I*

*believe it's fair for Moneybarn to waive the arrears from June 2023 (the presumed date when he stopped using the van) until February 2024 (which is when it was returned to him). They should also update Mr H's credit file to reflect the same. As I would expect Mr H to mitigate his losses such as hiring alternative transport so he could work, etc, I won't be saying Moneybarn needs to compensate him for the loss of earnings. But I have taken this into consideration when thinking about the overall trouble and upset caused.*

*I've also carefully thought about the impact of this situation on Mr H. He was left without a van for a significant amount of time which impacted him financially, he had several conversations with Moneybarn about the matter, the worry of the agreement falling into arrears and the risk of a default, etc. For this, I find Moneybarn should pay an additional £300 compensation (they've already paid £100). Meaning a total of £400 compensation should be paid.*

*I note Mr H has also complained that the log book isn't in his name and he's received penalty charge notices. As these weren't complaint points initially raised, I won't be commenting on this. If Mr H wishes to complain about this, he should raise a complaint with the relevant parties.*

*I'm very sorry to hear about Mr H's ill health, I appreciate this is a very difficult time for him and from my understanding he hasn't been able to work because of it. If Mr H is struggling financially, I encourage him to communicate directly with Moneybarn. I would like to remind Moneybarn of their obligations under CONC for consumers who are vulnerable and suffering from financial difficulty".*

### **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.

Moneybarn accepted the findings of the provisional decision. Mr H didn't provide any further comments.

On the basis I haven't been provided with any further information to change my decision I still consider my provisional findings to be fair and reasonable in the circumstances.

### **My final decision**

For the reasons set out above, I've decided to uphold Mr H's complaint.

To put things right, Moneybarn should:

- Remove the arrears from June 2023 to February 2024;
- Remove any adverse information about this agreement from Mr H's credit file from June 2023 to February 2024;
- Pay an additional £300 compensation to Mr J for the trouble and upset caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 27 January 2025.

Simona Reese  
**Ombudsman**