DRN-5239942

The complaint

Mr R complains about the quality of a used car he acquired through a conditional sale agreement with Moneybarn No. 1 Limited ('Moneybarn'). Mr R says that the car developed faults very soon after he acquired it and he would like it repaired.

What happened

Mr R's complaint is about the quality of a car he acquired in May 2024. The car was used, and it was first registered in May 2016. So, it was about eight years old when Mr R received it and the car had covered 61,780 miles.

Mr R acquired the car using a conditional sale agreement that was started in May 2024. The vehicle had a retail price of £16,244 and all of this was financed. This agreement was to be repaid through 59 monthly instalments of £570.37. If Mr R made repayments in line with the credit agreement, he would need to repay a total of £33,651.83. I understand Mr R has now changed finance providers.

Mr R has complained about the quality of the car. In May 2024 he complained about problems with the following parts of the car:

- The front splitter had fallen off whilst he was driving.
- The jet washer cover was faulty.
- A front window was squeaky.
- The start/stop system was faulty.
- The interior touch screen inside the vehicle was slow.

After receiving Mr R's complaint Moneybarn had the car looked at by a third party business which confirmed that the car had some of the faults above. The report concluded that:

' … in our opinion, when taking into account the vehicle has covered 10,360 miles from the point of our inspection to the point of sale in just over four months, from an engineering perspective we do not consider that these faults would have been present and developing at that point.'

Moneybarn went on to consider this complaint and it didn't uphold it. It said that the independent report had shown that whilst the car had some problems these were due to wear and tear, and so Moneybarn shouldn't be responsible for putting the car right. Moneybarn did refund the cost of some diagnostic tests of £50, and paid £140 for any distress and inconvenience that had been caused.

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

Our Investigator upheld Mr R's complaint. He said that Mr R had some diagnostics done on the car in June 2024 (within 30 days of ownership), albeit after he had driven it over 5,000 miles. These showed that the *'Start-Stop button hall effect sensor: Incorrect operation (pressure oblique)*' and *'Air conditioning compressor: shut-down due to vacuum in refrigerant circuit'* were not working properly.

And it had been confirmed that the car still had these faults at the time of the independent report. So, our Investigator believed that Moneybarn should repair these parts of the car and pay a further £60 compensation for any distress and inconvenience this had caused.

Moneybarn agreed with the Investigator, it said it would arrange for the repairs to be completed and pay the compensation.

Mr R said he was happy with this outcome initially. But later, he thought that further compensation was reasonable. He thought he should receive:

- A courtesy car, or compensation for alternative transport costs, while the vehicle was being repaired. He provided estimates of how much this should be.
- He complained that the car was advertised as having a full service history, but this was not the case.
- A £100 holding deposit was not returned to him.

Our Investigator didn't think that Mr R should receive compensation for any other transport costs as he had not incurred these, and he may not receive a courtesy car as this was not part of his agreement.

He thought the issues about the sale of the car and the service history were not part of the complaints that had already been made to Moneybarn and so we couldn't consider them here. Mr R needed to raise these with Moneybarn as a starting point. I also won't be considering these issues.

Because Mr R 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 about eight years old when Mr R acquired it and it had travelled around 61,780 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.

I think it's established and agreed that the car had some faults with the air conditioning and the stop/start function when it was supplied to Mr R. And this meant that the car wasn't of satisfactory quality. It has been agreed that these parts of the car should be repaired as above. As there is no ongoing dispute about this, I won't comment further.

But I've thought about if further compensation is appropriate. Mr R now says that he should receive a courtesy car, and/or some other form of compensation for any trouble he may be put to, and/or compensation for any alternative transport costs he may incur when the car is repaired. I've thought about whether this is reasonable.

Section 32 of the CRA says that:

'If the consumer requires the trader to repair or replace the goods, the trader must – (a) do so within a reasonable time and without significant inconvenience to the consumer'

So, whilst this is the case, I don't think it's appropriate to make an award on the basis that Moneybarn must provide a courtesy car or further compensation in advance of the repair. As above. the CRA doesn't say this, it only talks about inconvenience being minimised and it doesn't say how this should happen. Or what compensation should be provided.

And in any event, I can't be certain that any further compensation will be needed or appropriate. So, I can't award it now. But when it arranges the repair Moneybarn should bear in mind this provision of the CRA and where possible minimise any inconvenience, and cost, to Mr R.

Mr R has now complained that the car was advertised with a full service history, but he says that it doesn't have this. Before the Financial Ombudsman Service can consider a complaint, a business must have been given the opportunity to consider it. At the time Mr R raised this issue this hadn't happened. Mr R must raise this complaint with Moneybarn before we can consider it here.

And I can see there has been some correspondence about what Mr R has said about what he called the holding deposit. Again, if Mr R is not satisfied with the information he has been provided about this he must complain to Moneybarn or the dealership, as I assume this is the entity that held the deposit, if this is more appropriate.

Mr R said that our Investigator should have considered some call recordings, but it's not clear which calls he is referring to and why. They don't seem to be related to the complaint. I don't think I need to consider any further information to make a fair decision here.

Having considered the information I have, I uphold this complaint about the quality of the car. I'm not upholding the issues Mr R has raised about how the repair should be completed and the further compensation he should receive.

Putting things right

I uphold this complaint against Moneybarn and it should now:

- Arrange and pay for the repairs to the air-conditioning and the start/stop function.

- Pay £60 for the distress and inconvenience caused (Moneybarn should pay £250 in total if the earlier compensation is included).
- Remove any adverse information on the consumers credit file in respect of this agreement.

My final decision

For the reasons I've explained, I uphold Mr R's complaint.

Moneybarn No. 1 Limited should put things right by doing what I've said above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 26 August 2025.

Andy Burlinson
Ombudsman