

The complaint

Mr M is unhappy that a car supplied to him under a conditional sale agreement with Moneybarn No. 1 Limited ("Moneybarn") was of an unsatisfactory quality.

When I refer to what Mr M has said and what Moneybarn has said, it should also be taken to include things said on their behalf.

What happened

In May 2023, Mr M was supplied with a used car through a conditional sale agreement with Moneybarn. The cash price of the car was £7,000. Mr M paid an advance of £260, and the agreement was for 59 monthly payments of £237.97. At the time of supply, the car was around nine years old, and had done 113,825 miles.

Mr M took the car back to the dealership for repair after it broke down in the first few weeks. Mr M complained to Moneybarn. Moneybarn issued its final response on 1 August 2023 after confirming with both the dealership and Mr M that the car had been repaired. Therefore, Moneybarn upheld Mr M's complaint but agreed with him that the matter had been resolved.

Mr M experienced further problems with the car breaking down and he took it to the dealership again. In April 2024, he complained to Moneybarn that he'd not had the car for two months because it hadn't been fully repaired. A few weeks later it was agreed that the car would be transferred to a mechanic local to Mr M for further repairs. The local mechanic completed some work on the car but concluded that the engine had been compromised. Mr M wasn't prepared to pay the repair cost.

When he contacted Moneybarn again, Mr M said the dealership had agreed to pay £2,000 towards repairs and had given him some of the parts needed.

Moneybarn looked into Mr M's complaint and issued a final response, dated 1 July 2024. It agreed to refund £1,833 to him, equivalent to eight months' payments, for being unable to use the car. Moneybarn upheld Mr M's complaint but, as the car was with a mechanic for repair, it thought this resolved the matter. However, Moneybarn said, *"Should you experience any further issues with the vehicle or the current repair, please feel free to contact us so we can reopen your complaint and investigate the matter further"*.

Mr M was unhappy with the response, so he brought his complaint to us. Our investigator considered Mr M's complaint on two occasions after receiving further information. On both occasions, our investigator said that there was no evidence the new fault had been present at the time of supply. And, because Mr M had the car for more than six months when it broke down for a second time, it was his responsibility to demonstrate the fault was either a failed repair or present at the time of supply. Our investigator didn't uphold Mr M's complaint.

Mr M didn't agree with the investigator. He provided photos of the car showing a scratch down one side, the engine, and a video of the engine. He also provided details of another customer who had experienced problems with a car supplied by the same business. Mr M

said the car had been faulty from the start and he wanted to reject the car and end the agreement.

Because Mr M 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.

Having done so, I've decided not to uphold Mr M's complaint for broadly the same reasons as our investigator.

The Consumer Rights Act 2015 (CRA) covers agreements such as the one Mr M entered into. Under this agreement, there is an implied term that the goods supplied will be of satisfactory quality. The CRA says that goods will be considered of satisfactory quality where they meet the standard that a reasonable person would consider satisfactory – taking into account the description of the goods, the price paid, and other relevant circumstances. I think in this case those relevant circumstances include, but are not limited to, the age and mileage of the car and the cash price. The CRA says the quality of the goods includes their general state and condition, as well as other things like their fitness for purpose, appearance and finish, freedom from minor defects, safety, and durability.

So, if I thought the car was faulty when Mr M took possession of it, or that the car wasn't sufficiently durable, and this made the car not of a satisfactory quality, it'd be fair and reasonable to ask Moneybarn to put this right.

Firstly, I'll be clear about what I've considered when reaching my decision. The rules about time limits and whether our service can look into the merits of a complaint are set out in the Financial Conduct Authority's Handbook. DISP 2.8.2R(1) says that we cannot consider a complaint if it's referred to us more than six months after a financial business sends its final response and if the financial business doesn't consent to us looking at it. Moneybarn issued its first final response on 1 August 2023, which means Mr M would've needed to bring his complaint to us by 1 February 2024. I can consider a complaint if exceptional circumstances prevented Mr M from bringing his complaint. He agreed his complaint was resolved when Moneybarn issued its response, so I'm satisfied Mr M hasn't suggested there were any exceptional circumstances.

As I've said, this service is bound by the rules we have to follow. That means we are not able to consider the merits of the 2023 complaint. For clarity, I am only deciding matters addressed in Moneybarn's final response to Mr M, dated 1 July 2024.

I've noted the details Mr M provided about another customer's experience. However, an important part of our service and the way we consider complaints is that we consider each complaint on its own merits and its own individual circumstances. So, my decision won't be impacted in any way by circumstances relating to another customer, no matter how similar Mr M feels the situation is.

In this instance, it's not disputed there was a problem with Mr M's car. The key issue of complaint is that Mr M thinks it demonstrates his car was not of satisfactory quality when it was supplied to him, and he wants to reject the car.

Moneybarn accepts that there's an existing fault. But because Mr M reported it more than six months after the car was supplied to him, it said he needs to provide evidence that it was present at supply or a failed repair from 2023.

Neither Mr M nor Moneybarn has provided an independent engineer's report. Given that the car was 10 years old with mileage of over 115,000 when it went to the local garage for repair, I think it's reasonable that an amount of wear and tear would be expected. And as Mr M had the car for more than a year at this point, I think it's reasonable that he should provide evidence that it was an existing fault or failed repair. This is in line with the expectations set out in the CRA.

I've looked at the evidence Mr M has provided, which includes repair invoices, messages between him and the repairers, and hire car invoices. In order to determine whether the evidence he provided of a failed repair was sufficient, I've considered the evidence from the 2023 repair with the 2024 repair and ongoing fault. The repairs were for different faults, such as an oil leak, battery cover, loose coolant and vacuum pump, followed by issues relating to fuelling the engine. The existing fault is broken crankshaft pins requiring a new engine.

As the evidence shows completely different faults and repairs, I think Moneybarn reasonably concluded that Mr M hadn't provided sufficient evidence of a failed repair. On that basis, I see no reason to ask it to accept his request to reject the car.

Although Mr M asked his mechanic to provide a report to say the fault was present at the time of supply, the mechanic was unable to do so. The existing repair has prevented Mr M from using the car. While I appreciate that would've been frustrating for Mr M, on balance I consider it unlikely the fault was present at the time of supply. Therefore, I don't find that Moneybarn treated him unfairly by declining his request to reject the car unless he could provide supporting evidence.

I've thought carefully about Moneybarn's offer to refund eight months' payments to Mr M in light of his experience with the car faults. Mr M confirmed the first repair was completed in August 2023, which was three months after he was supplied with the car. He next reported the problem to Moneybarn in April 2024, which was 11 months after supply. It's not clear what period Moneybarn refunded the payments for, but given that the first fault was fixed within three months, I think its offer was fair and reasonable.

Mr M has commented that the dealership didn't give him the £2,000 it promised. However, he's not provided evidence that this was offered.

Overall, I'm satisfied that Moneybarn fairly refunded some of Mr M's payments for the faults he experienced with his car. But, because there's insufficient evidence to show that the subsequent faults were present at the time of supply, I think Moneybarn reasonably declined Mr M's request to reject the car. Therefore, I don't uphold Mr M's complaint, and I don't require Moneybarn to do any more.

My final decision

For the reasons explained, 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 11 July 2025.

Debra Vaughan
Ombudsman