

The complaint

Miss B complains about the quality of a used car she acquired through a hire purchase agreement with Secure Trust Bank Plc trading as Moneyway ('Moneyway'). Miss B says she has had multiple problems with the car over time and it isn't of satisfactory quality.

What happened

Miss B's complaint is about the quality of a car she acquired in December 2021. The car was used, and it was first registered in September 2013. So, it was eight years old when Miss B received it. It had covered 75,000 miles.

Miss B acquired the car using a hire purchase agreement that was started in December 2021. Miss B financed £6,490 which was also the cash price of the car. This agreement was to be repaid through 44 monthly instalments, there were 43 monthly repayments of £227 and then a final instalment of £237. The total amount Miss B would have to pay was £9,998.

Miss B complained to Moneyway in December 2022 outlining all the problems she said that she had with the car.

Moneyway considered this complaint, and it didn't uphold it. It outlined the times Miss B had taken the car in for repair. But it said that with a used car some level of wear and tear was expected, and it had confirmed in a phone call with Miss B that the car was repaired and the newer problems, which came about more than six months after the time of supply, were not related. Moneyway didn't think the car was of unsatisfactory quality and it didn't uphold Miss B's complaint.

Miss B didn't agree with this and brought her complaint to the Financial Ombudsman Service.

Moneyway didn't provide their file despite repeated attempts from our Investigator to obtain this. Whilst this is disappointing, I've been able to consider this complaint with the information I have and reach a fair decision.

Our Investigator didn't uphold Miss B's complaint. She said that whilst the car clearly had some faults she didn't think it was of unsatisfactory quality. There wasn't a link between the problems the car now had, which could be due to wear and tear, and the earlier problems. She didn't uphold Miss B's complaint.

Miss B didn't agree with the Investigator, and she reiterated the problems she had with the car and provided a timeline. But it's reasonable to say that no new issues were raised. Because Miss B 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 hire purchase agreement – so we can consider a complaint relating to it. Moneyway 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 Miss B acquired it and it had travelled around 75,000 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, Miss B should have been able to use it for a reasonable period before it needed significant work.

What has happened with the car and is it faulty

Miss B has complained about the quality of the car. Below is a summary of the issues complained about by Miss B and the investigation and repair work that has been carried out by the dealership and some other garages.

Miss B was due to collect the car on 15 December 2021. It's not clear exactly why the collection was delayed other than the car needed to be repaired. I've seen correspondence that shows that the car needed some 'parts' and something had 'snapped' on it before it was ready.

Miss B collected the car on 7 January 2022, and she says she noticed that there was some noise from the brakes, a clicking sound under her feet and the dashboard was now vibrating. She says the car was showing engine, and system management, warning lights ('EML'), these included warnings about the braking system.

Miss B took the car back to the dealership on 11 February 2022 to get a further repair made. Miss B has said that some of the problems, particularly the EML's were temporarily repaired. But that the car continued to have noisy brakes and the EML's intermittently returned.

Miss B says she drove the car from around the end of March 2022 until December 2022 when it was due it's MOT. Miss B says she has evidence that the dealership agreed the car

was faulty and would fix it, but this hasn't been provided. And the dealership is now no longer trading.

Miss B says the car started experiencing problems again in January 2023 and she took it for an MOT at an independent garage. The car did pass this test, but Miss B says she was told the car had a 'massive fault' that should be dealt with. Again, further information about this has not been provided.

Miss B has provided a diagnostic scan from a third party organisation which was completed in May 2023. This said that several fault codes were 'stored' in the car. I won't detail them all here, as all parties to the complaint have seen this, but they relate to some potential electrical faults, some sensor faults, and the car had low oil at one point.

It's worth noting that by now the car had travelled 84,432 miles. Which means Miss B had been able to travel over 9,000 miles.

And Miss B has had another diagnostic health scan completed in November 2023 which has also said that there were potential faults with the car's electrics.

Miss B says the EML's were reset In January 2023 but they started to appear again intermittently over time, and were present again by January 2024. Miss B says she stopped driving the car at this point.

The dealership that sold the car has also performed the repairs and maintenance on it. It has said that the only significant work that has been needed on the car after it has been supplied was to a braking system sensor that was replaced in January 2023. And it has passed all of the MOT tests, other than a fail due to the sensor issue in 2023, with no advisories. The car has now been driven over 90,000 miles without needing significant work. It thought most of the error codes could be due to the battery becoming depleted.

Given the above, I think it's reasonable to say that the car has had some faults, and needed some repair and maintenance over the time that Miss B has owned it.

Was the car of satisfactory quality bearing in mind these faults

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 Miss B 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 means that it was not durable, or whether the amount of maintenance was reasonable for a car of this age and prior usage.

There were some problems with the car a very short time after Miss B acquired it. But as far as I can see these were repaired either at, or very near to, the time it was supplied to her.

Miss B has said the car developed some further faults shortly after this time. I've taken on board what Miss B has said about her experience with the car. But she has been able to drive it for most of the time she has owned it. And she has been able to travel a reasonable number of miles over this time. So, even if the car did at times require some work, her use doesn't appear to have been significantly restricted.

The diagnostics that have been performed on the car have shown that fault codes have been stored in the car's system that indicate there may have been potential problems with it. But car's do, from time to time, record potential or actual faults in their onboard systems.

These could be present due to a wide range of factors, and they don't mean that the car is necessarily faulty.

So, the presence of these potential faults, without further evidence of repairs, isn't enough for me to say that the car wasn't of satisfactory quality when it was supplied to Miss B. I don't think the diagnostics show this.

Miss B has said that she has been told by garages (the one that performed the MOT) that the car does have significant problems. But she hasn't provided any further detail about this, so it's difficult to put any weight on what she has said about this.

The car has passed all its MOT's so I don't think I can say that any problems the car has had have made it unsafe to drive. And the garage that has worked on the car has verified that it has only needed one repair in the time that Miss B has owned it.

Overall, I think any problems the car has had, after the initial point of supply, are likely due to ordinary wear and tear. And I don't think it's likely that any issues Miss B has had, and which may have led to her not wanting to drive the car in 2024, were apparent or developing at the time the car was supplied to her.

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 Moneyway should be responsible for putting any faults with the car right, or pay any compensation.

My final decision

For the reasons set out above, I don't uphold Miss B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 15 May 2025.

Andy Burlinson
Ombudsman