

## **The complaint**

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

## **What happened**

In June 2024 Mr W was supplied with a used car through a conditional sale agreement with Moneybarn. The agreement was for £25,094 with 59 monthly payments of £425.33. At the time of supply, the car was approaching ten years old, and had done 51,292 miles.

Mr W said he first noticed a rubbing noise in September 2024. He said it didn't go away so he contacted a main dealer. The car was inspected in November 2024 and confirmed the noise was coming from the rear differential. The report said the rear differential needed to be replaced.

In November 2024 Mr W complained to Moneybarn. He said he wanted to reject the car due to the fault, and because of the response from the supplying dealer and credit broker.

Moneybarn didn't uphold Mr W's complaint because an independent report had confirmed the fault was due to wear and tear.

Mr W was unhappy with this response, so he referred his complaint to our service for investigation.

Our investigator said the independent report confirmed that the fault wasn't present at the point of sale. So he didn't think he could fairly say the car wasn't of satisfactory quality when it was sold to him.

Mr W didn't agree with the investigator. He said he accepted there would be some wear and tear, but he would not expect such a major issue to arise within the first few months. He also said the independent report was based on inaccurate information. He said the fault was first reported in September 2024, not November 2024 as stated in the report, and that this would've affected the report's findings.

Because Mr W 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 reached the same overall conclusions as the investigator, and for broadly the same reasons. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome. Where evidence has been incomplete or contradictory, I've reached my view on the balance of probabilities – what I think is most likely to have happened given the available evidence and wider circumstances.

In considering this complaint I've had regard to the relevant law and regulations; any

regulator's rules, guidance and standards, codes of practice, and (if appropriate) what I consider was good industry practice at the time. Mr W was supplied with a car under a conditional sale agreement. This is a regulated consumer credit agreement which means we are able to investigate complaints about it.

The Consumer Rights Act 2015 (CRA) covers agreements such as the one Mr W 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 W 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.

There's no dispute that there's a fault with the car Moneybarn supplied to Mr W.

The reports from the main dealer technician and the independent inspection both confirm an issue with the rear differential.

I have to consider whether or not the fault was due to expected wear and tear, or, if not due to wear and tear, was it present or developing at the time the car was supplied to Mr W.

The main dealer inspection, done in December 2024, after the car had covered 55,505 miles, confirmed the rear axle differential was "*excessively noisy*". It doesn't say anything about when or how the fault occurred.

The independent report was done in January 2025. The car hadn't been driven since the inspection the previous month.

The report says a noise could be heard from the rear differential area when driving the car above 10mph. It says this was indicative of internal bearing wear, and this would not be unexpected for a car of this age. It says, "*This is a defect which has been seen on many occasions and is not considered to be a sudden component failure and is commensurate with the age and mileage*".

It clearly states the fault was due to wear of the bearings and would not have been present or developing at the time of sale.

I'm persuaded by the content of this report. The engineer also confirmed their duty was to the courts, not to the person who instructed or paid for the report. As such, I'm satisfied this report is reasonable to rely upon.

Mr W says the independent report had the wrong date of fault and was therefore unreliable. He says the engineer's finding would've been different if he'd been given the correct date the fault was first noticed – as it was two months earlier than stated. I'm not persuaded that would be the case.

I've considered Mr W's comments carefully, but I'm not persuaded that a new report based on an earlier date would make a difference. I say that because, in the report, the engineer said, "*Bearing wear is a progressive concern which results in a gradual loss of material,*

*leaving the mating surfaces in an uneven and rough state which causes the noise noted*". He also confirmed this was not uncommon for a car of this age.

It appears to me that he was clear that the noise was not caused by a fault that was developing or present at the point of sale, but was from expected wear and tear. So I don't think an earlier date would change the conclusion of the independent engineer that the issue was due to wear and tear and not a faulty part.

I acknowledge how upsetting it must have been for Mr W to find the car was undrivable in such a relatively short time. But I must consider that his car was ten years old and had covered 55,500 miles. So I'm satisfied a reasonable person would expect the car to have parts affected by wear and tear, and the independent engineer confirmed the wear and tear of this part is not "*uncommon*" for a car of this age.

I know this will be disappointing for Mr W, but that means I won't be asking Moneybarn to do anything to resolve his complaint.

### **My final decision**

For the reasons explained, I don't uphold Mr W's complaint about Moneybarn No. 1 Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 18 June 2025.

Gordon Ramsay  
**Ombudsman**