

The complaint

Miss P complains about a car supplied to her using a conditional sale agreement taken out with Moneybarn No.1 Limited ("Moneybarn").

What happened

In May 2024, Miss P acquired a used car using a conditional sale agreement with Moneybarn. The car was around six years old, the cash price of the car recorded on the agreement was £11,299, the agreement was for 60 months, made up of 59 regular, monthly repayments of £251.73. The advance payment recorded on the agreement was £1,651.22. The mileage recorded on the agreement for the car was 43,950 miles.

Within a few days of acquiring the car, Miss P said she experienced issues with it. Miss P took the car back to the supplying dealership and in May 2024, new brake discs and pads were fitted to the car.

A few weeks later, in June 2024, Miss P took the car back to the dealership and the car's timing chain assembly, clutch and dual mass flywheel were replaced. Miss P was given a car to be kept mobile during some of the repairs carried out in May and June 2024.

Miss P collected the car in July 2024 after it was repaired. Within a week of collecting the car, Miss P said she noticed knocking noises coming from the car again, as well as an oil leak. Miss P grew frustrated and wanted to reject the car.

Miss P complained to Moneybarn towards the end of July 2024 and an independent inspection was carried out to the car in October 2024. The report said that at the time of the inspection, there were no clutch/gearbox, timing chain or exhaust defects present on the car.

Moneybarn issued their final response to Miss P in October 2024. They didn't think Miss P could reject the car as they thought the independent inspection concluded that there was no ongoing fault with it. Moneybarn gave Miss P £75 for the length of time it took them to carry out an investigation and for any inconvenience caused.

Miss P didn't collect the car from the supplying dealership. And unhappy with Moneybarn's response, Miss P referred her complaint to our service in December 2024.

Moneybarn informed Miss P that her agreement with them had been terminated and her car had been sold.

Our investigator issued her view where she partly upheld Miss P's complaint. The investigator was satisfied that there were faults with the car, given it was with the supplying dealership for several weeks to be repaired. But she didn't think Miss P could reject the car as the independent inspection concluded the repairs carried out were to a reasonable standard and no other faults could be found which were present or developing at the point of supply. Our investigator concluded that Moneybarn needed to do more in relation to the distress and inconvenience caused to Miss P and instructed them to pay her an additional £250.

Moneybarn said that they accepted the investigator's findings.

Miss P disagreed with the investigator's findings. Among other things, she said that she returned the car in order for it to be rejected, and didn't realise it was being repaired.

As Miss P disagreed with the investigator's findings, the complaint was passed to me to decide.

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'm partly upholding this complaint, and broadly in line with what our investigator has already said. I'll explain why below.

I'm aware I have summarised events and comments made by both parties very briefly, in less detail than has been provided, largely in my own words. No discourtesy is intended by this. In addition, if there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is a fair outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as an alternative to the courts.

Miss P complains about a car supplied to her under a conditional sale agreement. Entering into consumer credit contracts such as this is a regulated activity, so I'm satisfied I can consider Miss P's complaint about Moneybarn.

When considering what's fair and reasonable, I take into account relevant law and regulations. The Consumer Rights Act 2015 ("CRA") is relevant to this complaint. The CRA explains under a contract to supply goods, the supplier – Moneybarn here – has a responsibility to make sure goods are of satisfactory quality. Satisfactory quality is what a reasonable person would expect – taking into account any relevant factors.

I would consider relevant factors here, amongst others, to include the car's age, price, mileage and description. So, it's important to note that the car Miss P acquired was used, around six years old, had been driven around 44,000 miles and cost around £11,300, which is considerably less than a brand-new car of the same make and model. I think a reasonable person would accept that it would not be in the same condition as a new car and was likely to have some parts that are worn.

What I need to consider is whether the car was of satisfactory quality when it was supplied. And in order to do that, I first need to consider whether the car developed a fault.

Had the car developed a fault?

I don't think it is in dispute here that the car developed a fault. I say this because I have seen a job sheet that shows the car's brake discs and pads were replaced shortly after the car was acquired.

And from the independent inspection carried out to the car, it says the car's timing chain, clutch and flywheel were replaced in June/July 2024 – a few months before it was inspected.

So, I'm satisfied that the car had faults, specifically to its brakes, timing chain, clutch and flywheel, which have since been repaired.

Miss P also believes there were further issues with the car after the above repairs were carried out. She says that when she collected the car in July 2024, she noticed there was still a knocking sound coming from the car and that there was an oil leak. The findings of the inspection report completed in October 2024 didn't find any faults in relation to what Miss P described. So, I'm not satisfied there are any ongoing faults with the car.

Was the car of satisfactory quality at the point of supply?

Given that faults with the car presented themselves shortly after the car was acquired, in particular to the car's timing chain, clutch and flywheel, I'm satisfied they were likely present or developing at the point of supply.

Remedies under the CRA

What I now need to consider is whether Moneybarn needs to do anything to put things right.

While I accept the car was likely supplied of unsatisfactory quality, I'm mindful that faults with it were repaired. And the independent inspection concluded that:

"The vehicle drives as normally expected for its type, age and recorded mileage. It is without excessive noise, vibrations and all major units, and running gear are operating normally.

It would appear to have been repaired correctly, and therefore, the vehicle should be returned to its owner as it appears of serviceable and satisfactory quality at the time of inspection."

I have inferred from the comments above, that the car was repaired to a satisfactory condition. So, in broad terms, Miss P's rights under the CRA have been met by the car being repaired and functioning as expected.

I appreciate Miss P's comments that she didn't authorise repairs and she wished to reject the car rather than have it repaired. But from correspondence I have seen between Miss P and the supplying dealership towards the end of May 2024, I can see Miss P was pleased to see that the brakes had been "*sorted*". Within the same email, Miss P also says in relation to other issues identified that "*... it needs investigating and fixing*". So, I don't think Moneybarn is at fault here that repairs were carried out to the car. It follows that I don't think Moneybarn needs to do anything further in relation to the car, as it was repaired and there was no indication that repairs failed.

Distress and inconvenience

Miss P has explained that she was only kept mobile with an alternative car on some occasions while repairs were being carried out. Miss P has explained the impact this had on her, for example, travelling back and forth to work, and having to rely on alternative modes of transport. Moneybarn has already offered £75 in relation to the distress and inconvenience caused by this complaint. And similar to our investigator, I think Moneybarn needs to do more here. Given what Miss P has said, I think Moneybarn should pay her an additional £250 for the inconvenience caused.

My final decision

For the reasons I've explained, I uphold this complaint and I instruct Moneybarn No.1 Limited to put things right by paying Miss P an additional £250 to reflect the distress and inconvenience caused by this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss P to accept or reject my decision before 6 November 2025.

Ronesh Amin
Ombudsman