

## **The complaint**

Mr K complains that a van acquired under a conditional sale agreement with Moneybarn No. 1 Limited (Moneybarn) wasn't of satisfactory quality.

## **What happened**

In June 2024 Mr K was supplied with a van through a conditional sale agreement with Moneybarn. The van was around seven years old and had covered approximately 75,000 miles when the agreement started. The agreement was for 60 months, and the cash price was £6,000.

Mr K said soon after acquiring the van he experienced problems with it. In November 2024 Mr K got in touch with Moneybarn. In short, he said the van went into limp mode within a week of him acquiring it. It had undergone repairs and was fine for a while, but the problems returned. The low-pressure light illuminated and despite Mr K topping up the oil the van later broke down that day.

Moneybarn commissioned an independent inspection as part of its investigation. The inspection was carried out in January 2025 and although it found faults with the van, it concluded they wouldn't have been present or developing at the point of supply.

Following the findings of the inspection, Moneybarn issued its final response in February 2025. In summary it said based on the findings of the report it didn't agree the van was not of satisfactory quality when supplied to Mr K. So, it didn't uphold the complaint, but it did offer £150 in compensation for the overall impact this had on Mr K.

Mr K remained unhappy and maintained he wanted to reject the vehicle and be compensated for loss of earnings. He said due to the faults he experienced with the van he was unable to fulfil his employment obligations which has caused him financial difficulty and overall stress. Mr K referred his complaint to this service and whilst the complaint was with us, Moneybarn put forward an offer of settlement.

The van had already been returned at this point so amongst other things Moneybarn offered to end the agreement with nothing further to pay except for the fair use of the van.

Our Investigator looked into things and whilst he empathised with Mr K's position, he didn't uphold the complaint. Overall, he said he didn't think the van was of unsatisfactory quality and so what Moneybarn had put forward by way of settlement was far more than he would have recommended. He explained why under the circumstances the offer was fair.

Mr K remained unhappy and as an agreement couldn't be reached the complaint was passed to me for 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.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point, it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome. I'm also satisfied I have enough information to reach my outcome based on what I think is fair and reasonable.

Having done so, I've reached the same overall conclusions as the Investigator, and for broadly the same reasons. I know this will disappoint Mr K but I'm not upholding this complaint, I'll explain why.

The conditional sale agreement entered by Mr K is a regulated consumer credit agreement and this Service is able to consider complaints relating to it. Moneybarn is also the supplier of the goods under this type of agreement and responsible for a complaint about its quality.

The Consumer Rights Act 2015 (CRA) covers agreements like the one Mr K entered. Because Moneybarn supplied the van under a conditional sale agreement, there's an implied term that it is of satisfactory quality at the point of supply. Vehicles are of satisfactory quality if they are of a standard that a reasonable person would find acceptable, taking into account factors such as the age and mileage of the vehicle and the price paid.

The CRA also says the quality of goods includes the general state and condition, and other things such as its fitness for purpose, appearance and finish, freedom from minor defects and safety can be aspects of the quality of the goods.

Satisfactory quality also covers durability. For vans, this means the components must last a reasonable amount of time. Of course, durability will depend on various factors. In Mr K's case the van was used and covered approximately 75,000 miles and was about seven years old when he acquired it. So, I'd have different expectations of it compared to a brand-new van.

The van had travelled a reasonable distance and it is fair to expect there to be some wear to it because of this use. As with any vehicle, there is an expectation there will be ongoing maintenance and upkeep costs. And with second-hand vehicles, it is more likely parts will need to be replaced sooner or be worn faster than with a brand-new vehicle. Moneybarn would not be responsible for anything that was due to normal wear and tear whilst in Mr K's possession.

I've considered Mr K's testimony, and from the evidence provided by both sides, I can see it is not in dispute there are issues with the van. I have seen evidence by way of invoices and inspection reports to confirm this. Moneybarn acknowledged it had a potential liability in respect of the quality of goods it supplied and so it instructed an independent party to carry out an inspection of the van. As a result, a detailed report setting out the professional opinion of the third party was provided and it said:

*'In our opinion, we were able to confirm when the ignition is on, an 'engine power reduced' warning message illuminated and a "DPF is full" warning message illuminated.*

*On attempting to start the engine from cold where we had found the engine would crank over.*

*When applying a socket and ratchet onto the crankshaft pulley, we can confirm the engine would not rotate, where we suspect a potential engine seizure or time failure but further investigation is required.*

*Fault codes were obtained as follows:*

*P003A-00 – not history – “Turbocharger boost control position not learned”;*

*P0521-00 – history – “Engine oil pressure sensor performance”;*

*P06DD-00 – history – “Engine oil pressure control solenoid valve stuck off”;*

*P2546-00 – not history- “Particulate filter differential pressure sensor circuit intermittent”.*

*At this stage with the evidence currently available to ourselves at the time of inspection, we would consider the faults would not have been present at the point of sale.’*

It concluded:

*‘We note from the information provided in our instructions that the vehicle has been on hire for 130 days and has reportedly covered 9500 miles ...*

*It will most likely be appreciated that any preowned vehicle can suffer ongoing wear and deterioration which will be serviceable at sale, but which requires maintenance repairs to be completed to keep the vehicle in serviceable state and pre-owned car prices reflect that the vehicle is not new and that wear is present, even with the best pre-delivery inspections before sale the longevity of the vehicle cannot be established and it will require repairs and maintenance throughout its life to keep it serviceable. Such defects normally would be expected to have developed from an engineering perspective in the first 500 miles of use’.*

I consider the report to be a robust and integral piece of evidence, as outlined above it confirmed that the vehicle has faults, which, based on the mileage covered since supply, would not have been present at the point of sale. The report noted fault codes which is consistent with the evidence Mr K has provided from an independent garage. But neither the report or the evidence Mr K provided conclude that these fault codes or the problems Mr K raised amounted to defects with the car.

I see no reason why Moneybarn should not be entitled to rely on this report. I’ve seen nothing to contradict the findings of this report and so similarly I consider I can rely on the report in determining this complaint.

Taking everything into account I am not persuaded that the faults complained about were present at the point of sale. In which case I can’t reasonably conclude that Moneybarn needs to do anything further than what it has already offered to do. I don’t think Moneybarn has treated Mr K unfairly by declining to accept all the problems he mentioned as evidence the van was not of satisfactory quality at the point of supply. For completeness, I think the van was of satisfactory quality when supplied to Mr K and therefore there is no obligation on Moneybarn to take further action.

That being said, Moneybarn has, as a gesture of goodwill, offered to cancel the agreement and reduce the outstanding balance significantly. It says this reduction reflects usage charges based on Mr K’s mileage at a rate of 0.25p per mile. It has also offered to remove any negative reporting in relation to the agreement from Mr K’s credit file and to discuss a suitable repayment plan for the usage charge. An additional £150 compensation for the distress and inconvenience was also offered.

As I’ve said above, I do not uphold this complaint and so would not be directing Moneybarn to take any further action. But it has said the offer is still open for Mr K’s acceptance should he wish to do so. Mr K should get in touch with Moneybarn if he now wishes to accept the proposed offer.

I acknowledge this isn't the outcome Mr K would've wanted, and I don't doubt how difficult things have been. I also don't doubt that his experience with the van in question fell some way below his expectations. And I understand that's a strong motivation for him to pursue what were no doubt for him valid concerns. But for reasons outlined above I don't think the van was of unsatisfactory quality and I don't consider Moneybarn to have dealt with Mr K unfairly when it considered his claims in relation to the van it supplied to him under the agreement.

### **My final decision**

My final decision is I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 11 September 2025.

Rajvinder Pnaiser  
**Ombudsman**