DRN-5577610

The complaint

Mr R complains about the quality of a car he has been financing through an agreement with Moneybarn No. 1 Limited ('Moneybarn').

What happened

Mr R took receipt of a used car in September 2024. He financed the deal through a conditional sale agreement with Moneybarn. At the point of supply the car was a little under 10 years old and had completed 65,318 miles.

Mr R had problems with the gearbox, and it was replaced by Moneybarn in February 2025. Moneybarn refunded two monthly rentals in respect of the time Mr R had been without the car while it was being repaired and they paid him £150 in relation to the time taken to deal with his complaint and a further £80 to cover any collection costs.

When Mr R got the car back an engine management light was illuminated because of low oil.

He referred his complaint to this service but our investigator didn't uphold it so Mr R asked for a decision by an ombudsman. He explained that the battery on the car had also failed shortly after he'd taken receipt of the car and that he hadn't been provided with the full service documentation he was promised. He also complained that Moneybarn hadn't provided him with a courtesy car and he explained that being off the road had cost him a lot of money as he was self-employed.

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 know it will disappoint Mr R, but I'm not upholding this complaint. I'll explain why.

Where the information I've got is incomplete, unclear, or contradictory, as some of it is here, I have to base my decision on the balance of probabilities.

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.

Mr R acquired his car under a regulated consumer credit agreement and as a result our service is able to look into complaints about it.

The Consumer Rights Act (2015) is the relevant legislation. It says that the car should have been of satisfactory quality when supplied. If it wasn't then Moneybarn, who are also the supplier of the car, are responsible. The relevant law also says the quality of goods is satisfactory if they meet the standard that a reasonable person would consider satisfactory taking into account any description of the goods, the price and all the other relevant circumstances.

In a case like this which involves a car the other relevant circumstances would include things like the age and mileage at the time the car was supplied to Mr R.

An old car with a high mileage will not be expected to be as good as a newer car with a low mileage, but it should still be fit for use on the road, in a condition that reflects its age and price.

The relevant legislation explains that if the fault occurs within the first six months, we are to assume it was present at the point of supply, when Moneybarn were responsible for its quality. The gearbox fault happened within six months, and I think the car was, therefore, supplied in an unsatisfactory condition. The relevant legislation allows a business one opportunity to repair a car that is of unsatisfactory quality, so I think Moneybarn were fair to take responsibility for the repair. There's no dispute that the gearbox is now working and that the repair has been successful. While I can see that the oil level was low when the car was returned I don't think that suggests there was a failed repair.

Mr R has experienced some distress and inconvenience as a result of being supplied with a car that was of unsatisfactory quality. He reported the issue to Moneybarn on 14 January 2025 and it was repaired by 14 March 2025. Moneybarn weren't obliged to provide him with a courtesy car but I'd expect them to ensure Mr R wasn't paying for the car when it was off the road. They refunded two monthly finance instalments and I'm persuaded that was sufficient in the circumstances.

Mr R experienced delays with Moneybarn responding to him and they provided £150 in compensation. They also paid him an additional £80 to cover any collection costs. I think the compensation was reasonable in the circumstances and I note the delay in responding didn't delay the onset of the repair.

Since Mr R referred his complaint to this service he's raised new complaints about a failed battery and a lack of service history documentation. It wouldn't be fair for this service to consider a complaint before the business has had an opportunity to do so. Mr R will, therefore, need to refer those complaints to Moneybarn in the first instance.

I don't think it would be reasonable to ask Moneybarn to take any further action here.

My final decision

For the reasons I've given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 9 September 2025.

Phillip McMahon
Ombudsman