

The complaint

Mr E complains about the quality of a car he acquired under a conditional sale agreement with Moneybarn No. 1 Limited (Moneybarn).

When I refer to what Mr E and/or Moneybarn said or did, it should also be taken to include things said or done on their behalf.

What happened

In June 2024, Mr E entered into a conditional sale agreement with Moneybarn to acquire a car first registered in 2014. At the time of acquisition, the car had travelled around 86,381 miles. The cash price of the car was around £6,495. The total amount payable was approximately £13,455. There were 59 monthly payments of around £228.

Mr E said that in September/October 2024 he had issues with the car. He tried to contact the supplying dealership but as he was unsuccessful, he had some of the issues repaired at a third-party garage as he needed the car for work. Mr E said the car still has outstanding issues so he would like Moneybarn to repair these or allow him to reject the car.

In December 2024 Moneybarn wrote to Mr E and said that if the car has been repaired by an unauthorised third party, their help and support may be limited. Moneybarn said that Mr E advised them that the water pump and cam belt had been fixed, as there were issues with the heating which persisted into winter. In addition, there is an oil leak related to the engine oil seal, and the gearbox, the lower wishbone, the control arms, and the alternator belt all need attention.

Moneybarn said they are aware that Mr E had some of the issues fixed, as he told them the coolant was brown, the alloy wheel was cracked, and the tires needed attention. Moneybarn said they notified the supplying dealership, but due to unauthorized repairs being carried out, Mr E would be held liable for the costs. Moneybarn explained that since Mr E proceeded with third-party repairs without notifying them, these would be deemed unauthorized repairs. Had Mr E made them aware of the issues earlier, they may have been able to instruct an independent inspection to clarify liability. With these repairs being reported at this late stage, they said they are now unable to consider them. So, they said they were unable to uphold his complaint.

Mr E remained unhappy, so he referred his complaint to the Financial Ombudsman Service (Financial Ombudsman).

Our investigator considered Mr E's complaint, but the investigator did not think that the car was of unsatisfactory quality. So, the investigator did not think it would be fair to ask Moneybarn to do anything more to resolve Mr E's complaint.

Mr E disagreed with the investigator. So, the complaint has been 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.

Where evidence is unclear or in dispute, I reach my findings on the balance of probabilities – which is to say, what I consider most likely to have happened based on the evidence available and the surrounding circumstances.

In considering what is fair and reasonable, I need to take into account the relevant rules, guidance, good industry practice, the law and, where appropriate, what would be considered good industry practice at the relevant time. Mr E acquired the car under a conditional sale agreement, which is a regulated consumer credit agreement. Our service can look at these sorts of agreements. Moneybarn is the supplier of goods under this type of agreement and is responsible for dealing with complaints about their quality.

I have summarised this complaint very briefly, in less detail than has been provided, and largely in my own words. No discourtesy is intended by this. If there is something I have not mentioned, I have not ignored it. I have not commented on every individual detail. But I have focussed on those that are central to me reaching, what I think is, the right outcome. This reflects the informal nature of the Financial Ombudsman as a free alternative to the courts.

Also, I am only considering the aspects Moneybarn are responsible for, so I cannot look at certain actions and/or inactions of the dealership/broker which Mr E might be unhappy about. So, in this decision I only focused on the aspects I can look into. And, I am only looking at the events that have been raised by Mr E with Moneybarn, the ones they had an opportunity to address in their correspondence sent to him in December 2024. As such if Mr E is also unhappy with Moneybarn for how they have dealt with the arrears on his finance agreement, or the issues that happened since, he would have to raise this as a separate complaint.

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

In Mr E's case the car was used, with a cash price of around £6,495. It had covered around 86,381 miles and was around 10 years old when he acquired it. So, the car had travelled a reasonable distance, and it is reasonable to expect there to be some wear to it because of this use. I would have different expectations of it compared to a brand-new car. As with any car, there is an expectation there will be ongoing maintenance and upkeep costs. There are parts that will naturally wear over time, and it is reasonable to expect these to be replaced. With second-hand cars, it is more likely parts will need to be replaced sooner or be worn faster than with a brand-new car. And Moneybarn would not be responsible for anything that was due to normal wear and tear whilst in Mr E's possession.

First, I considered if there were faults with the car.

I understand that few months after supply the car had repairs on more than one occasion. On 5 October 2024, Mr E had a wheel repaired and a tyre supplied. I can see that soon after

that, on 11 October 2024, when the car had travelled around 95,741 miles, a third-party garage supplied and fitted a cambelt, water pump, and front drop links.

On 18 October 2024, when the car had travelled around 99,999 miles, the aux belt had snapped. And the recovery agent at the time noted that: 'mbr got fully loaded car and back tyres extremely low'.

I can see that when a car recovery agent attended to the car, on 1 February 2025, they noted that the car starts but that straight away the coolant system is over-pressurised and the exhaust gas fluid changes from blue to yellow. As such, they noted that they suspect either head gasket or EGR cooler issues. They also noted a fault stored due to blocked DPF. At the time the car had travelled around 101,068 miles.

Based on this evidence, it is clear that the car was faulty. But just because the car was faulty does not automatically mean that it was of unsatisfactory quality when supplied. So, I have considered if the car was of unsatisfactory quality when it was supplied to Mr E.

I have considered that at the time of supply the car had travelled around 86,381 miles and was around 10 years old. So, given the age, mileage, and price paid, I think it is fair to say that a reasonable person would expect there to be some wear to the car when Mr E acquired it. When considering if the car was of unsatisfactory quality, I have also considered that the car at the time of supply passed its MOT. And that the initial faults, most likely, started to appear in October 2024 when the car already had travelled around 95,741 miles (more than about 9,000 miles since supply). So I think, most likely, the issues to do with the wheel, tyres, cambelt, water pump, and front drop links, plus the aux belt snapping were not present or developing at the point of supply. I think the faults Mr E experienced were, most likely, because of normal wear and tear, and parts coming to the end of their life cycle.

In addition, I have taken into consideration the age and mileage of the car, combined with the timing when the engine failure occurred. At the time the car was assessed as potentially having issues with the head gasket or EGR cooler, plus the blocked DPF, the car was over 10 years old and had had travelled a significant number of miles (approximately 101,068 miles – around 14,500 miles since supply). Even if it could be proven that these issues started to occur earlier, when the car had travelled 95,741 miles, that still would have been about 9,000 miles since supply. So overall, taking all the circumstances of the case in question, I have not seen enough evidence to be able to say that most likely these parts were not durable or that these issues were present or developing at the point of supply. I think the faults Mr E experienced were, most likely, because of normal wear and tear, and parts coming to the end of their life cycle. As such, I do not have enough evidence to conclude that, most likely, the car was not of satisfactory quality. This is further exacerbated by the fact that Mr E had unauthorised repairs done by a third-party garage and these repairs obscured the opportunity to establish whether the issues were present or developing at the point of supply.

Mr E has told us a lot about his personal circumstances. While I sympathise with him for all the difficulties that he is experiencing, based on all the information available in this case, I do not think there is sufficient evidence to say that, most likely, Moneybarn should be responsible for the faults with the car. As such, I do not think it would be fair and reasonable to ask Moneybarn to take any further action regarding these.

My final decision

For the reasons given above I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or

reject my decision before 12 August 2025.

Mike Kozbial
Ombudsman