

The complaint

Mr S complains that a car he acquired with finance from Moneybarn No. 1 Limited ('Moneybarn') wasn't of satisfactory quality. He's rejected the car but is unhappy about how Moneybarn has put things right.

What happened

The parties are familiar with the background details of this complaint – so I will briefly summarise them here. It reflects my role resolving disputes with minimal formality.

In March 2024 Mr S entered into a conditional sale agreement with Moneybarn for a used car. Mr S experienced multiple issues with the car and so Moneybarn supported rejection. Amongst other things it offered a refund of repair and diagnostic costs, monthly instalments, payments for distress and inconvenience as well as a partial refund of the advance payment. It retained £584.25 to reflect fair use.

Mr S wanted it to pay £1,587.86 to clear his credit card and he didn't agree with the amount Moneybarn deducted for fair use.

Our Investigator considered things but didn't uphold the complaint, in short, he said Moneybarn had done enough to put things right and overall, its compensation was in line with what he would've recommended had the complaint have not been upheld.

As an agreement couldn't be reached the complaint has been passed to me for a 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 our Investigator and for broadly the same reasons. I know this will come as a disappointment to Mr S, but I will explain my reasons below.

While I might not comment on everything (only what I consider key) this is not meant as a discourtesy to either party – it reflects my role resolving disputes informally.

Moneybarn has already accepted a rejection of the car so I won't be making a finding on whether the car was of satisfactory quality. Instead, I'll focus on whether Moneybarn has done enough to put things right for Mr S.

When a car is rejected, it's generally the case that the deposit and all or some of the monthly payments are refunded, depending on whether the consumer has been able to use the car. If the consumer has been able to use the car then a deduction for usage is normally made. If a courtesy car is provided, this is also taken into account when looking at whether a refund of monthly payments should be made.

In this case I can see that Mr S received a total refund of £3,579.91 which was made up of

monthly instalments, repair costs, diagnostic costs, a partial refund of the deposit along with statutory interest and compensation for the distress and inconvenience caused. This is all in line with what I would've recommended had an offer not been made.

I understand Mr S doesn't agree with the amount retained by Moneybarn to reflect fair use but I'm afraid I don't agree. I'm not going to propose he's given a refund of his repayments. The CRA says a deduction can be made from the refund to take account of the use the consumer has had of the goods in the period since they were delivered. It doesn't set out how to calculate fair usage and there's no exact formula for me to use.

There's also not an industry standard mileage figure. I understand Mr S isn't happy with how Moneybarn has calculated fair use, and he's provided his own calculations. Whilst I've considered what he's put forward I don't find the deductions made by Moneybarn unreasonable. Mr S had use of the vehicle and its only fair he pays for that use. Overall, I think Moneybarn can retain part of the deposit paid in recognition of the use Mr S has had.

I also appreciate Mr S wasn't provided with a courtesy car, but this isn't always guaranteed, and I can't say it's something that's always possible, there's also no contractual obligation on Moneybarn to provide a courtesy car of any kind. Under these circumstances where Mr S has continued to pay for a car, he's had no use of and where he hasn't been kept mobile, I would expect Moneybarn to refund Mr S some of his monthly repayments which I can see that it has. So, I won't be asking it to do anything further on this point as to do so would in essence be refunding Mr S twice.

I've taken into account the overall distress and inconvenience this has caused Mr S. But as our Investigator explained, Moneybarn has compensated Mr S £350 to reflect this, and this is inline with what I would've recommended had the complaint not been upheld.

Overall, I think the resolution offered was fair and reasonable and I won't be asking Moneybarn to do anything further.

My final decision

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 14 October 2025.

Rajvinder Pnaiser
Ombudsman