

The complaint

Mr G is unhappy that a car supplied to him under a conditional sale agreement with Moneybarn No. 1 Limited trading as Moneybarn (Moneybarn) was of an unsatisfactory quality.

What happened

In October 2021 Mr G was supplied with a used car through a conditional sale agreement with Moneybarn. He paid an advance payment of £549 and the agreement was for £17,804 over 60 months; with 59 monthly payments of £292.47. At the time of supply, the car was around seven years old, and had done more than 73,733 miles.

Mr G said that he experienced serious faults with the car within the first two months, including a seized rear brake caliper. He said he complained to the supplying dealer and to Moneybarn. He said this was never fully repaired. He said Moneybarn issued their final response to this complaint in July 2022. He said they didn't fully resolve this complaint.

He said that corrosion to the suspension coil springs and the brake pipes were identified in an MOT done in September 2022.

He said that in September 2023 the emergency brake cable snapped due to corrosion, requiring an expensive repair.

He said that in October 2024 the corroded exhaust pipe detached.

Mr G said that in February 2025 the agreement was defaulted and terminated. He said that he had paid more than one third of the total amount payable and that this meant the car could not be repossessed without a court order. He said that Moneybarn had issued a demand of payment and threatened court proceedings through a Suspended Return of Goods order. He said this was coercive and unjust.

He said he had withheld payments due to the ongoing dispute and unresolved faults.

Mr G said that he wanted the outstanding balance to be cancelled or substantially reduced, and the default notice removed from his credit file. He also wanted Moneybarn to refund all repair costs he'd paid for, and compensation for distress and inconvenience.

Moneybarn said Mr G had complained to them in February 2025. They said the issues Mr G had complained about were related to wear and tear with the car. They noted that he'd had the car since October 2021, and that an independent inspection in April 2025 had confirmed the faults were wear and tear related and would not have been present at the point of sale.

They provided a copy of the termination notice they issued to Mr G on 2 April 2025. This informed Mr G that they had terminated the agreement as he had failed to comply with the default notice they had issued.

Mr G was unhappy with this response, so he referred his complaint to our service for investigation.

Our investigator said he couldn't consider the issues raised in Mr G's complaint from 2022 as these had been raised out of time.

He said he was satisfied the car was of satisfactory quality when supplied to Mr G in October 2021. He said this was based on the age and mileage of the car at the point of sale, the miles driven since then, and the independent inspection report.

He also didn't think Moneybarn did anything wrong in defaulting and terminating the agreement as Mr G hadn't made the contractual payments. He also said he didn't think they did anything wrong in applying to the courts for a return of goods order to try and retrieve the car.

Mr G didn't agree with the investigator. He said the investigator had misunderstood or overlooked several key aspects of the complaint.

He said the faults from 2022 had never been fully resolved, and Moneybarn hadn't fully investigated them. He said this was a continuation of the original complaint arising from the car's unsatisfactory condition.

He said the independent inspection was inadequate and should have been done in 2022.

Because Mr G didn't agree, this matter has been passed to me to make 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.

Having done so, I've reached the same overall conclusions as the investigator, and for broadly the same reasons. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome. Where evidence has been incomplete or contradictory, I've reached my view on the balance of probabilities – what I think is most likely to have happened given the available evidence and wider circumstances.

In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and (if appropriate) what I consider was good industry practice at the time. Mr G was supplied with a car under a conditional sale agreement. This is a regulated consumer credit agreement which means we are able to investigate complaints about it.

Jurisdiction – the July 2022 complaint

On 8 April 2022 Mr G complained to Moneybarn about faults with the tracking, and the brake calipers. Moneybarn issued their final response to this complaint on 21 July 2022. In their response Moneybarn advised Mr G that this was their final response, and that he could complain to this service if he was unhappy with their response.

Importantly, they explained, in bold letters, that he had:

*the right to refer your complaint to the Financial Ombudsman Service, free of charge
— but you must do so within six months of the date of this letter.*

It then explained that if he didn't refer the complaint in time, they didn't give this service permission to consider the complaint.

DISP 2.8.2 states:

*"The Ombudsman cannot consider a complaint if the complainant refers it to the Financial Ombudsman Service:
(1) more than six months after the date on which the respondent sent the complainant its final response"*

It follows that I'm satisfied the date for the six months for Mr G to have referred his complaint to our service was 20 January 2023. As he didn't raise this complaint until February 2025 means I think he has brought it outside of the time limits.

DISP 2.8.2 goes on to explain our service can still consider a complaint if:

"in the view of the Ombudsman, the failure to comply with the time limits in DISP 2.8.2 R or DISP 2.8.7 R was as a result of exceptional circumstances"

DISP 2.8.4 states:

"An example of exceptional circumstances might be where the complainant has been or is incapacitated."

Mr G said he never treated the matters as resolved. I've reviewed the contact notes, and whilst there was regular contact over the period from July 2022 to April 2025, I can't see that Mr G ever mentioned faults or issues with the car, until February 2025.

In any case, I'm not persuaded that the reason Mr G referred the first complaint to our service outside of the time limits was due to exceptional circumstances. I don't think exceptional circumstances apply in this case.

So I'm unable to consider this element of his complaint.

I can consider the new elements of the complaint Mr G made to Moneybarn in February 2025. This was about the faults with the car, and the termination of the agreement.

Quality of Goods

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

So, if I thought the car was faulty when customer took possession of it, or that the car wasn't sufficiently durable, and this made the car not of a satisfactory quality, it'd be fair and reasonable to ask business to put this right.

Here, I'll consider that Mr G's car was around seven years old and had covered 73,330 miles. So I don't think a reasonable person would expect it to be in the same

condition as a newer, less road worn one. And I'm satisfied they would expect the car to have parts affected by wear and tear. This is not a "*shield*" as Mr G describes it. It forms part of the test applied when considering whether or not goods are of a satisfactory quality.

Independent Engineer's Report

I've seen a copy of the independent engineer's report, dated 30 April 2025. The recorded mileage at the time was 123,533 miles. In this report, the engineer concluded that the faults were due to wear and tear.

The report confirms that the engineer was made aware of the issues Mr G complained about, including the exhaust pipe, the corroded shock springs, rust to the car, corrosion to the suspension and exhaust, and an unsafe underbody.

The engineer carried out a visual inspection at the roadside, and performed a short test drive. He said a brake caliper had been replaced and the brakes were in a good condition. He said the coil springs had some surface corrosion but no visible breaks.

He said the underside showed signs of surface corrosion, the rear exhaust was broken and a temporary repair had been carried out.

He also said the rear anti roll bushes needed to be replaced, and the clutch was difficult to depress.

Importantly, he said:

"Taking into account the customer has covered 49,800 miles the engineer is of the opinion the issues present have occurred due to wear and tear".

The engineer also said that in his opinion the car was in a durable condition when supplied to Mr G.

He also confirmed their duty is to the courts, not to the person who instructed or paid for the report. As such, I'm satisfied this report is reasonable to rely upon.

Mr G disputed the engineer's conclusions. He said the engineer confirmed the car veered to the left. He said this was consistent with what he first reported within three months of getting the car. The engineer has made no comment about the steering in his report. And Mr G has driven the car since October 2021 without reporting the fault again.

I can see from service reports Mr G provided, that a road test was carried out by a servicing garage in April 2022. But the garage made no mention of any steering issues. So I'm not persuaded this fault was present.

Mr G said the report was unreliable because it wasn't done until 2025: he says three years after the faults were originally raised, meaning the car had undergone further deterioration.

Moneybarn arranged the independent inspection when Mr G told them about the faults. He didn't make them aware of any issues after their final response letter in July 2022. And when he did, they acted reasonably by arranging an inspection. The "*further deterioration*" he refers to is what I would characterise as reasonable wear and tear, as highlighted by the engineer.

So I'm persuaded, based on the evidence provided, that the faults Mr G has reported were due to reasonable wear and tear. So I'm satisfied that the car was of satisfactory quality when supplied to Mr G by Moneybarn.

Termination of the agreement

I'm satisfied that Moneybarn's actions were reasonable. Over the lifetime of the agreement they have notified Mr G when he was in arrears, the consequences of being in arrears, and what support is available.

On 14 February 2025 they sent him a default notice because of the level of arrears on the account. It was around this time that Mr G raised his complaint about the quality of the goods.

There is no obligation on regulated firms like Moneybarn to stop collections action when a complaint is with this service. Many firms do this, but we recommend that customers continue to make their payments or discuss payment arrangements with firms. Mr G said he stopped making payments because of this dispute.

On 11 April 2025, following a telephone conversation, Moneybarn sent Mr G full details of his options should he want to keep the car. These were settling the balance in full, or through a suspended return of goods order. Both options were fully explained, including costs and risks.

On 28 April 2025 Moneybarn sent a more formal message to Mr G, again setting out his options.

Mr G replied on 30 April 2025 asking that Moneybarn pause all enforcement action whilst his complaint was still being considered, by Moneybarn and by this service. These proceedings have now been stayed.

I think Moneybarn's actions have been reasonable. Mr G was in arrears, they issued the necessary documentation, informed Mr G of what his options were, and continued to show him where and how he could get support if he needed it.

I know Mr G will be disappointed by my decision. But I think it was reasonable for Moneybarn to rely on the independent engineer's report and why I'm persuaded that the car was of a satisfactory quality.

So I won't be asking Moneybarn to take any further action to resolve this complaint.

My final decision

For the reasons explained, I don't uphold Mr G's complaint about Moneybarn No. 1 Limited trading as Moneybarn.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 19 August 2025.

Gordon Ramsay
Ombudsman