

The complaint

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

What happened

In March 2024 Mr Y was supplied with a used car through a conditional sale agreement with Moneybarn. He paid an advance payment of £1,100 and the agreement was for £14,193 over 60 months; with 59 monthly payments of £221.92. At the time of supply, the car was nine years old and had done 88,413 miles.

Mr Y initially complained to Moneybarn in November 2024 about a number of issues with the car. These included a water leak, faults codes, an issue with the battery, and faulty spark plugs. He was unhappy that he'd had to take the car to three different garages on three occasions, over a period of three months.

He complained again in February 2025. The drive train in the car was not working, meaning the car was undriveable. He said the car had been with a main dealer for repair for seven months. He said the supplying dealer had been unable to repair the car, and were refusing to pay the main dealer garage for the repair.

Mr Y said the faults with the car were present after just three months.

Moneybarn didn't uphold Mr Y's initial complaint. They said at the time he complained he'd had the car for more than seven months. They said he hadn't provided any evidence the faults arose in the first six months he had the car. They said the issues he raised were typical wear and tear issues.

Moneybarn arranged an independent inspection in February 2025. They issued a second final response letter in March 2025. They partially upheld Mr Y's complaint. They acknowledged the car had needed repairs, but said these had been done at no cost to Mr Y. They agreed to refund 50% of the monthly payments for the period October 2024 to February 2025 when the car was in the garage. Mr Y had been provided with a courtesy car during this period.

Moneybarn said there was insufficient evidence for the independent engineer to say whether or not the current faults were linked to previous failed repairs, or if the fault was developing at point of sale. So they said Mr Y was now responsible for additional repairs.

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

Our investigator said there was a fault with the turbocharger. He said that the car had done 88,426 miles when supplied to Mr Y in March 2024. He noted that Mr Y had done a further 7,519 miles when the problems arose in August 2024. He found it unlikely that there would have been a fault with the turbocharger at the point of supply. That was because he thought the fault would have presented itself much sooner if it had been faulty when supplied.

He said the problems appeared to be due to a reasonable level of wear and tear for a car of this age and mileage. So, he thought the car was of satisfactory quality when Moneybarn supplied it to Mr Y.

Mr Y didn't agree with the investigator. He said there was evidence that the drivetrain was faulty in the first four months he had the car. He said there was a diagnostic report commissioned by the supplying dealer that proved this, but the supplying dealer refused to supply it.

Because Mr Y didn't agree, this matter was passed to me to make a final decision.

I issued a provisional decision on 25 June 2025, where I explained my intention to uphold the complaint. In that decision I said:

The Consumer Rights Act 2015 (CRA) covers agreements such as the one Mr Y 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 Mr Y 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 Moneybarn to put this right.

I'm satisfied there is a fault with the car. The car is undriveable, and this is due to a fault with the drivetrain. This is clear from the testimony supplied by all parties to this complaint.

I'm also satisfied this fault developed within the first six months of it being supplied to Mr Y by Moneybarn. That's because Mr Y first reported the faults around four months after acquiring the car. This is evident from his testimony, and supported by a statement from the supplying dealer. It said:

"After the four month period... we addressed the water leak and the vehicle was sent to a third party turbocharger specialist to investigate the "drivetrain fault".

So it's clear to me that the current fault was first identified in the first six months of purchase.

I need to consider whether or not the fault was due to wear and tear, or if it was due to some other reason.

In this case, I'm currently satisfied the breakdown of the car was due to a failed repair. I'll explain why.

Mr Y took the car to the supplying dealer to fix a water leak and because the drivetrain warning light was on. The supplying dealer said it sent the car to an independent turbocharger specialist. They said the garage fixed the leak, and did no work in connection to the drivetrain. They said it had identified an electrical fault it couldn't help with.

I asked for information about what work was done at that point. The supplying dealer confirmed the first garage only repaired a leak. It said the garage:

“had the car in to deal with the water leak. (The garage) changed the oil cooler housing with gaskets and changed the oil filter, they put in new antifreeze and carried out a pressure test.”

It said that the first garage hadn’t done any work to the turbocharger, other than identifying an electrical fault. So it sent the car to another garage. This garage identified that the wrong turbo actuator had been installed.

Mr Y took the car to a main dealer garage for repair. After conversations with the supplying dealer, it later confirmed the turbo actuator had been replaced in October 2024. It stated that it believed the wrong actuator part likely caused the issues with the drivetrain.

The second garage said that had the actuator been in place at the time of supply it would’ve brought up the warning light. Mr Y took the car to the supplying dealer when he saw the warning light. So it appears likely that the part was fitted after it was supplied to Mr Y. I think it more likely than not that the part was installed in an attempt to repair the fault with the drivetrain.

I’ve seen a copy of the independent engineer’s report, dated 20 February 2025. In this report, the engineer concluded there was insufficient evidence to confirm that the faults would have been present at the time of sale. He said that there was a potential for “the issues to have been the result of incomplete or unsuccessful previous repairs”.

It’s not clear who did that, or why they installed the wrong part. But I’m satisfied looking at all of the testimony and timelines that the fitting of the wrong actuator part was a failed repair, and this caused the fault that now makes the car undriveable.

Single Chance at Repair

Section 24(5) of the CRA says:

*“a consumer who has ... the right to reject may only exercise [this] and may only do so in one of these situations –
(a) after one repair or replacement, the goods do not conform to contract.”*

This is known as the single chance of repair. And this applies to all issues with the goods, and to all repairs i.e., it’s not a single chance of repair for the dealership, and a single chance of repair for Moneybarn – the first attempted repair is the single chance at repair. What’s more, if a different fault arises after a previous repair, even if those faults aren’t related, the single chance of repair has already happened – it’s not a single chance of repair per fault.

The CRA is clear that, if the single chance at repair fails, as was the case here, then the customer has the right of rejection.

There have been several attempts to identify and repair the problem with the car supplied to Mr Y. This is evident from the report from the main dealer garage, and the independent inspection. Additionally, whilst confident they are correct, the main dealer garage state they can’t be certain that replacing the turbocharger will fix the problem.

Delay in Repair

Section 23 of the CRA states:

“If the consumer requires the trader to repair or replace the goods, the trader must – (a) do so within a reasonable time and without significant inconvenience to the consumer”

Given the number of attempts to repair the car, and that it was in the garage for several months, it's arguable that Moneybarn failed to comply with Section 23(2)(a) of the CRA. So, in these circumstances, I think Mr Y should be able to reject the car.

I also asked Mr Y to provide the current mileage of the car, and to let us know the date from when he was no longer was provided with a courtesy car. This was so that I could consider the appropriate redress.

I said that, subject to the answer to the above, to put things right Moneybarn should end the agreement, collect the car, remove adverse entries from Mr Y's credit file, refund the deposit paid, refund monthly payments from the date the car was returned and no courtesy car supplied, and pay Mr Y £300 for the distress and inconvenience caused.

Responses

Mr Y accepted my provisional decision. He confirmed he returned the courtesy car on 24 January 2025, and the current mileage on the car was 101,468.

Moneybarn didn't respond to my provisional 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.

As Moneybarn haven't said anything to the contrary, I'm taking their comments to mean they don't object to my provisional decision.

On 26 June 2025 Mr Y confirmed the current mileage on the car was 101,468. The mileage on the car at the date of the independent inspection, 20 February 2025 was 96,864. So it appears that Mr Y has travelled 4,604 miles in the four-month period since the inspection, equal to about 1,150 miles a month.

That means Mr Y has been able to use the car, despite the faults.

Putting things right

I've been provided with no new evidence to change my view that the car is faulty, and that because there has been a single chance of repair, and delays in repairs, Mr Y is entitled to reject the car under the relevant provisions of the CRA.

Mr Y confirmed that he returned the courtesy car in January 2025. But as I've said above, he has been able to use the car since then. Because of this I think it's only fair that he pays for that usage. So I won't be asking Moneybarn to refund any of the payments he's made since then.

Therefore, Moneybarn should:

- end the agreement with nothing more to pay;
- collect the car at no cost to Mr Y;

- remove any adverse entries relating to this agreement from Mr Y's credit file;
- refund the £1,100 deposit Mr Y paid (if any part of this deposit is made up of funds paid through a dealer contribution, Moneybarn is entitled to retain that proportion of the deposit);
- apply 8% simple yearly interest on the refunds, calculated from the date Mr Y made the payment to the date of the refund[†]; and
- pay Mr Y an additional £300 to compensate him for the distress and inconvenience caused by being supplied with a car that wasn't of a satisfactory quality.

[†]If Moneybarn considers that tax should be deducted from the interest element of my award, they should provide Mr Y with a certificate showing how much they have taken off so he can reclaim that amount, if he is eligible to do so.

My final decision

For the reasons explained, I uphold Mr Y's complaint about Moneybarn No. 1 Limited and they are to follow my directions above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr Y to accept or reject my decision before 18 August 2025.

Gordon Ramsay
Ombudsman