

The complaint

Mr B complains about the quality of a car he got on finance from Secure Trust Bank Plc trading as Moneyway ('ST').

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 minimum formality.

On 14 April 2024 Mr B took out a hire purchase agreement with ST for a second-hand car. However, he says that in November 2024 it broke down and would not start. And when he took it to a garage it was identified that the car needed around £9,000 worth of repairs to the electrical systems.

Mr B approached ST about it. However, after having an independent expert produce a report on the car ('Report A') it refused to pay for repairs or accept rejection.

Mr B escalated his complaint to this service but our investigator did not uphold it. So, the matter has been passed to me for a final decision.

I issued a provisional decision on this case which said:

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

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 with minimum formality.

In considering what is fair and reasonable, I need to have regard to the relevant law and regulations, regulators' rules, guidance and standards, codes of practice and (where appropriate) what I consider to have been good industry practice at the relevant time.

The agreement in this case is a regulated consumer credit agreement. As such, this service is able to consider complaints relating to it. ST is also the supplier of the goods under this type of agreement, and responsible for a complaint about their quality.

The Consumer Rights Act 2015 is of particular relevance to this complaint. It says that under a contract to supply goods, there is an implied term that "the quality of the goods is satisfactory".

The Consumer Rights Act 2015 says the quality of goods are 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. So it seems likely that in a case involving a car, the other relevant

circumstances a court would take into account might include things like the age and mileage at the time of sale and the vehicle's history.

The Consumer Rights Act 2015 ('CRA from now on') says the quality of the goods includes their general state and condition and other things like their fitness for purpose, appearance and finish, freedom from minor defects, safety, and durability can be aspects of the quality of goods.

ST supplied Mr B with a second-hand car that was almost 7 years old and had done around 52,000 miles at the point of supply. It is fair to say that in these circumstances a reasonable person would consider that the car had already suffered notable wear and tear – and was likely to require more maintenance and potentially costly repairs sooner than you might see on a newer, less road worn model. However, the car was still priced at around £12,000 and was not particularly high mileage – so there is still a reasonable expectation that the car will not require notable repairs at an early stage.

I note here Mr B says the car broke down in November 2024 and was taken to a garage for diagnosis which cleared some fault codes. However, the car broke down again and would not start which then uncovered the need for around £9,000 worth of repairs to electrical systems including the wiring loom, and certain modules ('BCM' and 'KVM').

What Mr B says is credible and I note it is supported by correspondence from a garage ('Garage C') from January 2025 (the car mileage at this point recorded as 57,486) which states it found the wiring in the car in poor condition, from what it suspects was previous repair and testing work. It suggests that bad connections might have resulted from this.

My starting point is that a reasonable person would not expect to be supplied a car for around £12,000 with moderate mileage and then around 6,000 miles and seven months later be faced with repair bills costing almost what the car is worth. Particularly noting that the items identified as requiring repair are internal electrical parts – not exposed to the elements or due routine maintenance and generally expected to be durable over the life of the car

So prima facie, I consider the car as supplied is not of satisfactory quality and Mr B is due a remedy in line with the CRA.

However, the key issue here is that there appears to be a dispute about whom is responsible for the condition of the internal wiring of the car. I note here that Report A concludes that the internal wiring of the car appears to be in poor condition due to tampering/probing and says:

Given the time elapsed since the sale in April 2024, it is not possible to confirm that the current issue was present at the point of sale. The wiring could have been tampered with at any time post sale.

This is not an unreasonable conclusion. Unless anyone specifically admitted to it – it will likely not be possible to confirm whom is responsible for the condition of the wiring. However, I note the report then goes on to say:

On the balance of probabilities, it is concluded that the wiring has been damaged after the

date of sale.

While this wouldn't necessarily be an unreasonable conclusion – I would expect to know why the expert has concluded this is likely the case. It seems an unsubstantiated conclusion and while I have regard to the experience and credentials of the inspector – I do not find it persuasive in the particular circumstances.

Because I don't find this conclusion persuasive I have looked myself at the circumstantial and other evidence to determine what is a fair 'on balance' finding.

In coming to a finding here I note Mr B has provided credible testimony to say he did not tamper with the wiring and wouldn't as he had no expertise in this area. What Mr B says sounds plausible. There are no suggestions that Mr B had the knowledge or reason to open up panelling in the car and tamper with the wiring loom. I also note that Mr B had not had the car very long or used it extensively. So any opportunity for him to tamper with the electrics would seem lessened here.

I am not saying Mr B couldn't have tampered with the wiring. Of course it is possible. I just think it is less likely. It seems more likely that a professional did so. I say this because a professional will have the tools and the ability to remove panels and access hidden electrics including the wiring loom.

The professional involvement in the car I am aware of is as follows:

1. Before Mr B got the car (likely repairs or other maintenance carried out during around seven years while under prior ownership).
2. On behalf of the dealer a repairer ('Garage A') replaced the Bluetooth module in May 2024 at no cost to Mr B.
3. When the car wouldn't start in November 2024 Mr B got diagnostics carried out by two garages before Report A was carried out ('Garage B' and Garage C).

I will deal with each of these in turn in determining whether it is fair and reasonable for Mr B to be held responsible for the current condition of the car.

1. If the electrics were tampered with prior to when Mr B got the car, potentially leaving them more vulnerable to deterioration and failure, this wouldn't fairly be his responsibility. As I have already indicated – a reasonable person would not expect to be supplied a car like this in this condition potentially leading to costly repairs in a short space of time post supply. I also note that (as Mr B has pointed out) he wouldn't fairly have known of such issues with the wiring just by inspecting the car as it was hidden behind panels and under carpet.
2. The Bluetooth module appeared to be faulty when the car was supplied (Mr B reported it almost straight away) and this would therefore render the car of unsatisfactory quality. Any failed repairs or those causing other damage carried out on behalf of the supplier to remedy this breach of contract would not fairly be the responsibility of Mr B here. I acknowledge that the inspector who prepared Report A has stated that the Bluetooth module replacement would be situated away from the area he found wiring issues with the car. And therefore, has concluded the Bluetooth module repair would not have caused those issues. However, Mr B has provided credible testimony to say that where the issues with wiring have been found is where Garage A removed lining to access internal wiring. He says even though he has learned the Bluetooth module is behind the dash Garage A removed areas near the boot and front seat to access electrics.

He also says that when he called Garage A it kept telling him it was having issues repairing the module. While this is just Mr B's testimony it is not unreasonable to suggest that Garage A may have damaged the electrics in the locations identified by Report A when attempting to locate and replace the Bluetooth module. To me it seems like the most plausible explanation for the present condition of the wiring. And while Garage A might not have *needed* to access certain areas or parts of the electrical loom to replace the Bluetooth module – that isn't to say it *didn't* access those areas and disturb them. It certainly seems a more likely explanation than Mr B having opened the internals up and caused the issues.

3. Finally, I understand Garage B and C were involved in diagnosing the latest issues with the car not starting. From what I can tell (and I invite Mr B to provide more information on this if he can) Garage B simply carried out computer diagnostics and cleared fault codes. So it seems unlikely to have tampered with the wiring. Garage C, did dismantle panels to access electrics– but this seems to be a specialist garage which identified the condition of the wiring and quoted for its replacement so it seems unlikely that it caused this. There is of course the possibility that B or C had tampered with the wiring in carrying out diagnostics and testing. However, if that were the case it would have been diagnostics and testing to determine the cause of the latest issue with the car not starting. Ultimately, no one has put their finger on what has caused this or if it is even due to the current condition of the wiring loom. I note that Report A says in respect of replacing the wiring:

Whether this will rectify all faults cannot be confirmed until the loom is replaced or repaired by a qualified auto electrician.

While the report from Garage C suggests that wiring issues may be a problem causing bad connections – but points to the need to replace control modules in the car anyway. So there is an overarching issue here – which is that the condition of the wiring might be a red herring. And in fact there are potentially unrelated and underlying electrical faults which rendered the car unusable. Considering this is not a very high mileage car – and has not been used for very long by Mr B a reasonable person would not expect a complete failure like this a few months in and having completed limited mileage. So the condition of the wiring loom aside it seems the car could be of unsatisfactory quality in any event.

In summary, I don't know who is responsible for the present condition of the wiring loom. But I think it is less likely to be the fault of Mr B here. I also think there is some doubt over whether the condition of the wiring loom is the underlying cause of the car failing here in any event. There are suggestions it might not be and there could be significant electrical issues with control modules/electrical systems in any event. In the particular circumstances, and with the CRA in mind I consider it fair that Mr B should be able to reject the car. I say this considering the previous repair to the Bluetooth module– and the overall significant inconvenience that would be caused to Mr B by further repairs aimed at resolving the ongoing electrical issue. I also think that directing ST to repair the car, considering the cost quoted, would be disproportionate and unfair on it.

ST should collect the car without charging Mr B. It should bring the finance agreement to an end ensuring there is no adverse information on Mr B's credit file as a result of it. I understand there is no deposit to refund in this case so I am not directing ST to refund this.

My starting point is that Mr B has used the car so should fairly pay ST for this. I understand Mr B has not used the car since around November 2024 due to the ongoing issues. I don't know the exact date. If Mr B can show this through a breakdown report or similar then he is free to do so. But in the absence of this information I am directing ST to refund him all the payments he has made relating to the period from 1 December 2024 onwards.

Mr B has claimed some consequential losses. He says he made some superficial additions to the car. I note he won't have further use of it if he rejects it. So, he should fairly get the money back from ST for these (as long as he provides proof of payment to it). These are as follows:

Car mats - £32.99
Side steps - £119.99
Wind deflectors - £29.99
Window tinting - £120
Plastic console trim - £35.99
Front grille - £65

Mr B has claimed for a car boot organiser – but I don't think it's fair for ST to refund for this as it can be used in a different car.

Mr B also says that he has to pay to have his private plate removed from the car and this will be about £80. ST should fairly pay for this in the circumstances if Mr B can produce proof of payment for this cost when it arises.

Mr B said that in relation to the quality issues with the car he had diagnostics carried out and paid a tow charge as follows:

£153 diagnostics at Garage B
£432 diagnostics at Garage C
£80 recovery charge

It seems fair that ST refund Mr B these expenses as long as he provides it with proof of payment.

Mr B has claimed tax and insurance costs in respect of borrowing a car from a family member. However, he would always have tax and insurance costs to use a car. If he has paid for tax or insurance costs (including those relating to early cancellation) in relation to the car financed by ST since 1 December 2024 then he should provide proof of payment to ST and it should fairly reimburse him for this.

I note Mr B says that the financed car was in the garage a few weeks for the repairs to the Bluetooth module. If he is able to evidence this – and that he didn't have a courtesy car for this period then I would likely say it was fair and reasonable for ST to make a pro rata refund of his rentals for that time. However, for now I am not making a direction on this.

It appears Mr B took out a warranty for the car. He has benefited from that up to the point he stopped driving the car so should pay for that. However, if he can show that he has had to pay for the warranty cover for any period after 1 December 2024 (including any early cancellation charge) then ST should refund him for this as he has not benefited from it.

Mr B has clearly been caused distress and inconvenience by what has gone on here. I can tell that from what he has said. And it has gone on for a prolonged period. And while I recognise that ST tried to assist by commissioning an expert report – ultimately I think it should pay Mr B some compensation for the distress and inconvenience caused by its breach of contract. I have considered our website guidance on awards for distress and inconvenience and here I think the issues caused more annoyance than might reasonably be expected in day-to-day life and the impact has lasted sometime. In the circumstances I think an additional payment of £250 is fair and reasonable here.

My provisional decision

I uphold this complaint and direct Secure Trust Bank Plc trading as Moneyway to:

- Take back the car without charging for collection;
- ensure that the agreement is cancelled and that there is no adverse information on Mr B's credit file in respect of it;
- refund Mr B any monthly rentals he has paid relating to the period from 1 December 2024;
- refund Mr B the cost of the superficial additions, diagnostics, tow, private plate removal, warranty, tax and insurance costs I have specified above as long as Mr B provides it with sufficient evidence to show these costs have been charged and paid (sufficient proof will include paid receipts or invoices/estimates with corresponding bank/card statements showing payment);
- pay 8% simple yearly interest on any refunds calculated from date of payment to date of settlement; and
- pay £250 compensation for distress and inconvenience.

If ST considers it must deduct tax from my interest award then it should provide Mr B with a certificate of tax deduction.

ST did not respond to my provisional finding.

Mr B responded to say:

- The car was off the road from 25 November 2024 so he should be reimbursed monthly rentals from that point rather than 1 December 2024;
- he has provided clarification and additional documentation regarding the expenses he is claiming as consequential losses;
- the finance will stay on his credit report which will prevent him from getting further finance for another car; and
- he thinks £250 is low compensation for the amount of stress this matter has caused him which should have been brought to an end months ago.

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 thank Mr B for his additional submissions which I have carefully considered. I will deal with these in turn. However, apart from the clarifications to redress as set out below, in summary (and noting ST's lack of any response) I consider my provisional findings fair and reasonable – and my final decision is along the same lines for the reasons already given (as set out above).

Loss of use

Mr B has said he stopped using the car from 25 November 2024 and points to the diagnostics report from Garage B as proof of this. This is dated 25 November 2024 and explains the various system fault codes identified and the attempts to clear these. I can see why Mr B would have stopped driving the car at this point, so I consider it fair that ST reimburse him from here rather than 1 December 2024.

Diagnostics and recovery

I note Mr B has pointed to receipts to show he paid the following:

£153 diagnostics at Garage B
£432 diagnostics at Garage C

I apologise if I have missed something however, from what I can see amongst the quantity of information Mr B has sent over there is no proof of payment for the £80 recovery charge he is claiming. However, rather than delay my decision, if Mr B is able to provide this to ST then it should pay this in any event.

Additions to the car

Mr B has provided extra information about the superficial additions he made to the car which I consider he should get back. This has clarified pricing and payment information. After going through it all I note some of the amounts paid are slightly different to those figures in my provisional findings:

Side steps – Mr B has provided a receipt to show he paid £98.99 for these (and not the £119.99 in my provisional finding)

Window tinting – Mr B has provided a receipt to show he paid £170 for this (and not the £120 in my provisional finding)

Car mats – Mr B has provided a receipt that he paid £32.29 for these (and not the £32.99 in my provisional finding)

The following items appear to be supported by product screenshots from an online retailer showing Mr B bought these but with the current price displayed rather than the amount paid. If ST wishes to see the full invoices for these costs from the online retailer it can fairly request these from Mr B:

Wind deflectors - £29.99
Plastic console trim - £35.99

Mr B says he can't find the receipt for the front grille but he has shown what it costs online and pictures of the new and old one to support the case that it was replaced due to cosmetic damage. All things considered, I think it fair that ST pay the £65 Mr B is claiming without further documentation.

Tax and Insurance costs

Mr B has provided a policy confirmation from his insurer to show that he had just begun his new insurance policy for £751.13 when the car broke down in November 2024. He says he kept it going as he says he did not know where he stood regarding the car being towed and in repair garages. The policy is due to expire in November 2025 and Mr B says he should get the whole amount back as he has not been using the car. In the circumstances I think it's fair that ST reimburse Mr B for the policy. If Mr B can cancel it early and get money back,

then ST will not have to reimburse him the full cost – but it should cover the cost of any early cancellation fee (if applicable). After ST takes back the car Mr B can confirm the status of any rebate/cancellation with it and provide written confirmation from the insurer of the overall final cost of the policy incurred if necessary.

Mr B has also provided a receipt to show he paid £35 tax for the car on 17 April 2024. Mr B benefited from this up to the time he stopped driving the car so he should get a pro-rated refund of tax costs relating to the period from 25 November 2024 onwards. If he has receipts showing tax costs beyond April 2025 (these were not immediately apparent to me from our file) then he can provide these to ST for reimbursement.

Maintenance plan

Mr B has now provided evidence to show that he took out a maintenance plan for the car on 18 April 2024 for £29.99 a month. He says it ended in April 2025 and has clarified that it was a plan to cover the cost of MOT and servicing rather than a warranty. He says he didn't get a chance to use it due to the issues with the car.

Looking online I can see the MOT for the car was due around March 2025 after Mr B stopped using it in November 2024. So, it seems unlikely he has benefited from the policy at all here. My provisional decision said that Mr B should get back the money for any warranty plan he hasn't benefited from. It follows that it is fair here that ST reimburses him for the full cost of the MOT/maintenance plan as I am not persuaded he has benefited from it due to the inherent quality issues with the car. In making my finding I note Mr B appeared unable to reasonably mitigate his loss by cancelling the plan as it has a minimum term of 12 months.

Private plate removal

Mr B has provided evidence to show he has now paid the DVLA £80 to have his private plate removed on 27 August 2025. So, ST should refund this to him.

Distress and inconvenience

Mr B has recounted his recent experience of having to take the train to get to his wife who was seriously ill and was rushed to hospital – which took him over an hour when he says a car journey would have been only fifteen minutes. He said this is an example of the stress not having a car has caused him and why he should get more than £250 compensation.

I am deeply sorry to hear about this recent experience, and I hope his wife is OK now. It was no doubt very worrying and stressful. However, I think this sort of situation is quite remote from the issues with the quality of the car to say ST should fairly be responsible. And it might fairly make the argument Mr B could have mitigated the situation– for example, by getting a taxi instead of the train.

I do not wish to downplay the stress caused by not having the car to use. And I recognise that it has gone on for a prolonged period. These sorts of awards are not a science but, in the circumstances and context of the overall settlement here I think £250 is broadly fair (also noting what I said in my provisional findings above about the rationale for this).

Credit file

Mr B is concerned that even if ST removes adverse information from his credit file the presence of the finance agreement on there could still prevent him from getting finance for another car after. I am not sure if this would occur– as the agreement will show it has ended on his credit file once the settlement is carried out. However, in the circumstances I don't

think it is unreasonable for ST to completely remove the record of the finance agreement from Mr B's credit file in carrying out the settlement.

Putting things right

ST should put things right as I have set out below.

My final decision

I uphold this complaint and direct Secure Trust Bank Plc trading as Moneyway to:

- Take back the car without charging for collection;
- ensure that the agreement is cancelled and remove it from Mr B's credit file;
- refund Mr B any monthly rentals he has paid relating to the period from 25 November 2024;
- refund Mr B the cost of the superficial additions, diagnostics & recovery, private plate removal, maintenance plan, tax and insurance costs I have specified above. Where I have specified above (and if ST requests) Mr B should provide it with sufficient evidence to show these costs have been charged and paid (sufficient proof will include paid receipts or invoices/estimates with corresponding bank/card statements showing payment);
- pay 8% simple yearly interest on any refunds calculated from date of payment to date of settlement; and
- pay £250 compensation for distress and inconvenience.

If ST considers it must deduct tax from my interest award then it should provide Mr B with a certificate of tax deduction.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 3 October 2025.

Mark Lancod
Ombudsman