

The complaint

Mr K 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 K has said and what Moneybarn have said, it should also be taken to include things said on their behalf.

What happened

On 20 December 2023, Mr K entered into a conditional sale agreement with Moneybarn to acquire a car first registered in 2016. At the time of acquisition, the car had travelled around 67,425 miles. The cash price of the car was around £14,444. The total amount payable was approximately £22,235. There were 59 equal consecutive monthly payments each of £376.87.

Mr K said that shortly after supply the car experienced an issue with the battery and rear brakes. Repairs were carried out by the supplying dealership, with some of the cost covered by the broker, but Mr K was asked to contribute £90 towards these repairs. Later Mr K also told us that he had other issues with the car. He felt that the MOT and Pre Delivery Inspection documents from the supplying dealership were fake, and he said the car had the following issues:

- Tyre Pressure Monitor Sensors in the front were defective;
- An oil/filter change on the car was needed;
- Further issues with the rear left brake;
- Thermostat housing, coolant pipe, alternator/aux drive belt all needed attention or to be replaced;
- There were outstanding recalls on the car, including airbags that he was not made aware of at the time of supply.

Overall, Mr K feels that the car was not fit for purpose, so he said he would like a full refund of what he has paid towards the finance agreement plus a replacement car. He also thinks Moneybarn should refund him for all repairs he paid for and pay him compensation for the distress and inconvenience caused.

In December 2024 Moneybarn wrote to Mr K to address his complaint. They said that the information Mr K has provided them with do not confirm that the current faults with the car were present or developing at the point of supply.

They said the issues surrounding the brakes and the car's battery were resolved by the dealer who paid for the repairs to be completed at a third-party garage, and this was back in January 2024. After this, they said Mr K did not raise any further issues with the car until late in 2024. They said the evidence he had provided on the 4 December 2024, was previous MOT that were conducted years before supply, however, the one conducted when the car was supplied to him passed with no issues.

They said the repairs completed six months after supply, on the balance, would not have been present or developing at the point of sale. They said had this of been the case, it is unlikely that Mr K would have had uninterrupted use of the car prior to the issue arising. Moreover, they said that whilst frustrating, they considered the issues he raised are typical wear and tear items which may normally occur during the lifetime of the car.

They said the car had travelled for 81,175 miles, meaning Mr K had significant use of the it, approximately 13,750 miles before raising concerns. They said this usage is certainly sufficient for wear and tear to occur and they are satisfied that, on the balance of probabilities, the issues would not have been present at the point of supply.

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

Our investigator was of the opinion that Moneybarn should only be responsible for the cost of the initial repairs that were completed mid-February 2024.

Moneybarn agreed with the investigator.

Mr K 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 K 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.

I know that Mr K is unhappy about certain actions/inactions of the supply dealership and for some of these Moneybarn might be responsible for, such as for example what was said or done during the antecedent negotiations before Mr K entered the finance agreement. But I can only consider certain actions/inactions of Moneybarn and only the aspects they are responsible for, and I cannot look at certain actions and/or inactions of the dealership or broker or the manufacturer which Mr K 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 K with Moneybarn, the ones they had an opportunity to address after he raised his complaint.

The Consumer Rights Act 2015 (CRA) covers agreements such as the one Mr K 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 K's case the car was used, with a cash price of around £14,444. It had covered around 67,425 miles and was around seven 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. And 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. So, Moneybarn would not be responsible for anything that was due to normal wear and tear whilst in Mr K's possession.

Mr K thinks that he should be entitled to reject the car and get his payments back.

The CRA sets out that Mr K has a short term right to reject the car within the first 30 days, if the car is of unsatisfactory quality, not fit for purpose, or not as described, and he would need to ask for the rejection within that time. Mr K would not be able to retrospectively exercise his short term right of rejection at a later date.

The CRA does say that Mr K would be entitled to still return the car after the first 30 days, if the car acquired was not of satisfactory quality, not fit for purpose, or not as described, but he would not have the right to reject the car until he has exercised his right to a repair first – this is called his final right to reject. This would be available to him if that repair had not been successful.

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

Mr K provided several health reports/invoices/job estimates. Some of these relate to the same issues as they were from around the same time but from different third-party garages. Here are the main ones in chronological order:

- 27 December 2023 - an invoice from a recovery agent when the car broke down, at the time the car had travelled 67,561 miles (around 136 miles since supply). This invoice said the battery failed and would need to be replaced.
- 22 January 2024 - an invoice from a third-party garage, when the car had travelled 69,060 miles (around 1,635 miles since supply), that recommends that both rear brake pads and discs are renewed. Plus, that the battery should be renewed.
- 3 February 2024 – an invoice from a third-party garage for a '110 START STOP' with a price of £150.
- 9 February 2024 - an invoice from a recovery agent when the car broke down, at the time the car had travelled 69,079 miles (around 1,654 miles since supply). This invoice said that NSR brake pad wear material was all gone. So, car needed to be recovered and fixed.
- 15 February 2024 - an invoice from a third-party garage for brake discs and brake pad set for a cost of £169.99.
- 9 April 2024 – an invoice from a third-party garage for 'EPB CALIPER AND BRAKE DISC' for cost of £278.40.
- 9 April 2024 – an invoice from a third-party garage for 'Brake Pads, Brake callipers, and Discs' for cost of £180.

- 16 October 2024 – an invoice from a third-party garage, at the time the car had travelled 83,236 miles (around 15,811 miles since supply). This invoice said that the thermostat housing and the coolant pipe were both replaced. This paperwork also states that the alternator pulley is faulty, so will require replacement.

Based on the above, it is clear that the car was faulty. But just because a 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 K.

I considered the issues Mr K had, the ones all listed up until mid-February 2024 on the above chronological timeline. Mr K told us that the supplying dealership and the broker covered the expense of these issues except for £90 that he was asked to contribute to those repairs. I think these issues, up to the mid-February 2024 date, would, most likely, render the car not of satisfactory quality at the time of supply. I have come to this conclusion because when considering the mileage of the car when supplied, the price paid, combined with when the faults first became apparent (at around 136 and then some at 1,654 miles since supply), I think most likely, a reasonable person would not consider the car with these faults to be of satisfactory quality. So, I think it is only fair that Moneybarn should be responsible for the costs of those repairs. Given that Mr K had to pay £90 towards those repairs, I think it is fair and reasonable that they refund him that money because he would not have incurred this cost had they provided him with a car that was of satisfactory quality. I also think they should add 8% simple interest per year to this refunded amount, from the date of payment to the date of settlement.

I then went to consider all the other faults that have been raised by Mr K (predominantly ones that have occurred 9 April 2024 onwards). However, I do not think that any of the other work the car needed would render it of unsatisfactory quality and/or that it would be fair and reasonable for me to say that Moneybarn should be responsible for those repairs. I say that for a few reasons, as I will explain below.

I do not know how much mileage was covered by the car after 9 April 2024, as the paperwork for what repairs the car needed has limited information. But I can see from the 16 October 2024 invoice that the car had travelled 83,236 miles (around 15,811 miles since supply), so it seems that from supply onwards Mr K was covering approximately just under 1,600 miles a month. With that in mind, I think in April 2024, most likely, the car had covered around 72,000 miles (about 4,800 miles since supply). It was at that time the car needed repairs to the brakes, but I think most likely these repairs would not render the car of unsatisfactory quality.

I considered that, at the time, the car had travelled a significant number of miles, about 72,200, and approximately 4,800 miles since Mr K acquired it. So, when considering the age and mileage of the car, combined with when those brake issues were noted, I think most likely, the faults Mr K was experiencing were because of normal wear and tear, and parts coming to the end of their life cycle. Brakes are wear and tear items, and I've not seen enough evidence to be able to say that, on balance, there was a fault present or developing at the point of supply with the brakes which would render the car unsafe. So, I think most likely these needed changing due to normal wear and tear process.

I have also reached a similar conclusion when it comes to the thermostat housing and the coolant pipe, both of which were replaced, and the alternator pulley, which was noted as faulty. When these issues were noted, the car had travelled 83,236 miles (around 15,811 miles since supply). So, considering the age and mileage of the car, combined with when those issues were noted, I think most likely, these were because of normal wear and tear, and parts coming to the end of their life cycle.

Overall I think, most likely, none of the faults that were raised by Mr K following the repairs which occurred after the mid-February 2024 would render the car of unsatisfactory quality. I say this after considering the car's age, mileage, and price paid, and when the issues were noted. I think it is reasonable to expect there to be some wear to a car as a result of its use. As with all used cars, there is an expectation that 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. And with second-hand cars – especially with a car of high age and mileage – it is more likely that parts will need to be replaced sooner or be worn faster than with a brand-new car. So, Moneybarn is not responsible for anything that was due to normal wear and tear. Also, I think it is fair and reasonable to say that, considering the circumstances of this complaint, the brakes, the thermostat housing, the coolant pipe as well as the alternator pulley, all fall within this category, so in this specific instance they would not render the car of unsatisfactory quality.

When coming to the above conclusion I have also considered that the invoices do not provide a lot of information as to what exactly was repaired or replaced and why it needed to be repaired. In addition, Mr K has not provided any reports that would show that the repairs that were needed were developing at the point of supply, or that these would render the car not reasonably durable.

Mr K also mentioned that he felt that the MOT and Pre Delivery Inspection documents from the supplying dealership were fake, and that the car had prior issues as listed on the previous MOTs. However, it is not unusual for a car to have previous advisories noted on an MOT and I have noticed that the car had passed an MOT around the time of supply. This means that, most likely, all previous advisories were repaired as and when needed. Also, it is not for me to comment on the integrity of those tests, and I have not seen enough evidence to be able to say that, on balance, there was anything that would impact the outcome of Mr K's complaint.

Also, Mr K mentioned that he had a part changed due to a recall and that he is unhappy that the supplying dealership did not inform him of the outstanding recall on the car at the point of supply. But I have not been given enough information surrounding this recall to be able to say that the recall was present at the time of supply. In addition, I have not been given any evidence that would allow me to say that, most likely, Mr K's car contained a defective part. Manufacturers do sometimes issue blanket recall notices when it has been established that some cars may have an inherent manufacturing issue. This does not mean that every single car that is subject to the recall has the defective part, and even if a part in question is replaced under a recall notice, this does not automatically mean that it was a defective part. This is because a recall notice does not automatically mean that there was a fault with the car, and sometimes parts get replaced under a recall as a precautionary measure. So, the fact that a fault may subsequently occur due to a part that is listed under a recall notice, does not automatically mean that Mr K's car was not of satisfactory quality. Also, Mr K has not provided a specific recall notice for his car. So, I cannot make a finding that his car is of unsatisfactory quality based on the above.

Mr K has also provided other receipts such as, for example, for an oil service and other maintenance which are part of any regular upkeep of any car so I do not think these would render the car of unsatisfactory quality. He has also mentioned a tyre pressure monitor sensors being defective, but here also I have not seen enough evidence to be able to say that this would render the car of unsatisfactory quality.

As such based on all the available evidence, I do not have enough to say that, most likely, the car was of unsatisfactory quality due to issues after mid-February 2024. So, Mr K would not be entitled to reject the car, and I do not think Moneybarn should be responsible for the cost of the repairs except for the initial repairs in mid-February 2024, as stated above.

Mr K has told us a lot about his personal circumstances and while I sympathise with him for 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 further 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 this complaint besides refunding him the £90 plus interest due.

My final decision

For the reasons given above, I direct Moneybarn No. 1 Limited to refund £90 Mr K paid towards repairs (upon proof of payment) and add 8% simple interest per year to this refunded amount, from the date of payment to the date of settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 10 October 2025.

Mike Kozbial
Ombudsman