

### **The complaint**

Mr P complains about the quality of a vehicle that was supplied through a motor finance agreement with MONEYBARN NO.1 LIMITED (MB).

### **What happened**

In December 2024, Mr P acquired a used van through a conditional sale agreement with MB. The van was about three years old and had travelled 79,251 miles when it was supplied to Mr P. The cash price of the van was £9,958.80. No deposit is listed, so Mr P was due to make 59 monthly repayments of £269.51.

Mr P complained that shortly after acquiring the van, the engine failed. The van was taken to the dealership for repairs, however the dealership advised, as the cost was in excess of £4,000 it had to go to a third-party garage to have a different engine fitted.

Mr P said the engine that was fitted was older than the original, and despite being told it had covered 68,000 miles, Mr P said he hasn't been given any documentary evidence to assure him of the engine's age and mileage.

Mr P also complained to MB about some other related issues which included that he wasn't given a courtesy vehicle during repairs, the fuel efficiency was an issue, and he's not had to top up any AdBlue.

In May 2025, MB issued their final response to Mr P's complaint which they upheld in part. In summary, it advised the fitted engine had less mileage than the original, Mr P was given an invoice of the repairs, and no further issues were reported.

It confirmed an independent inspection of the van was arranged by them, which concluded there was damage to the engine sump, the gearbox end cover had damage with a slight leak, the engine oil filter was damaged, the stop start was inoperative, the auxiliary battery had a zero charge and there was a chip to the windscreens. However, the report advised the faults were unlikely to have been present when the van was supplied due to the mileage covered since supply. MB arranged to pay Mr P £175 for the time taken to resolve the case.

Unhappy with their decision Mr P brought his complaint to our service where it was passed to one of our Investigators to look into.

In his complaint form Mr P has said he's suffered financial and personal losses, having to close his business, find new employment and relocate. To resolve things Mr P said he wants to return the van and end the agreement without any negative judgements or penalties.

In September 2025, our Investigator issued their view and recommended that Mr P's complaint should be upheld. The Investigator concluded that the van was repaired to a reasonable standard and no faults had been reported since, so MB shouldn't have to facilitate a rejection of it, but they should refund Mr P for the time the van was being repaired and to pay him a further £175 for the distress and inconvenience caused.

Mr P didn't accept the Investigator's view, he responded to say he asked to reject the van as soon as the repair had taken place, the engine was older than the original with damage. Mr P believes he has the right to reject the van. Mr P also confirmed the van was a personal purchase not for any business purposes.

The Investigator responded to say that their view remained unchanged based on the reasoning already provided in the view, and so Mr P asked that his complaint be referred to an ombudsman for 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.

In considering what is fair and reasonable, I've thought about all the evidence and information provided afresh and 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.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

Mr P complains about a conditional sale agreement. Entering into consumer credit contracts like this is a regulated activity, so, I'm satisfied we can consider Mr P's complaint about MB. MB is also the supplier of the goods under this agreement and is responsible for a complaint about their quality.

In their view, the Investigator considered the relevant legislation in this case was the Supply of Goods (implied terms) Act 1973. This is relevant given Mr P wouldn't be considered as a consumer given his reasons for acquiring the van if it was not for personal use. However, Mr P has explained that although he later used the van for business purposes it was originally acquired for personal use.

Given this explanation by Mr P, I've referred to the Consumer Rights Act 2015 (CRA), as the relevant legislation. However, I think it's worth noting here that in the circumstances of this complaint, I'm in agreement with the Investigator that either legislation (the SGA or CRA) would provide for the same outcome.

The Consumer Rights Act 2015 (CRA) is relevant in this case. It says that under a contract to supply goods, there is an implied term that "*the quality of the goods is satisfactory, fit for purpose and as described.*" To be considered as satisfactory, the CRA says the goods need to meet the standard that a reasonable person would consider satisfactory, considering any description of the goods, the price and all the other relevant circumstances. The CRA also explains the durability of goods is part of satisfactory quality.

So, it seems likely that in a case involving a car, the other relevant circumstances a court would consider might include things like the age and mileage at the time of sale and the vehicle's history.

Here, Mr P acquired a used van which had covered 79,251 miles and which cost around £10,000. So, I think a reasonable person would not have the same expectation of quality in

comparison to a newer model, which had less mileage. But I still think they would expect the van to be free from any major defects and would expect trouble-free motoring for both some time and distance.

From the information provided I'm satisfied there was a fault with the van. And I don't consider this to be in dispute. Nor do I consider that the van was of unsatisfactory quality when it was supplied to be in dispute either. MB has confirmed in the final response that the engine failed and was replaced without cost to Mr P, and I've seen correspondence from the dealership or broker confirming the details of the replaced engine. The engine failed within weeks of the van being supplied to Mr P. So I'm satisfied this was unreasonable and makes it of unsatisfactory quality. However, what appears to be in dispute is what the fairest resolution should be.

Mr P seeks to reject the vehicle and end the agreement; however, MB believes their resolution is fair and in line with their obligations under the CRA.

Given I've concluded that the van wasn't of satisfactory quality when it was supplied to Mr P, because it suffered catastrophic engine failure within weeks of being supplied, MB will need to put things right.

Under the CRA the trader has a right to repair if the goods are faulty. Mr P says when the engine was repaired, he asked to reject the van, however this was after the initial 30-day period allowable under the CRA. So, I don't consider that MB needed to oblige to this.

Given the right to a repair under the CRA, I think it was reasonable that the dealership took the van in to have it repaired. From the evidence provided the repair was completed within a reasonable timescale, and I've no reason to consider that the repair was unsuccessful.

Mr P says he was unhappy with the replaced engine and stopped using the van. However, the independent inspection of the van, which was completed in May 2025, although noting there were faults present, advised there was no evidence of an unsuccessful repair. It concluded, given the mileage covered since supply, the faults would not have been present at the point of sale.

In his response to the Investigator's view Mr P raised a number of points, I've considered all of what it has said. However, to keep things informal I've summarised what I consider to be the key points raised:

- The independent inspection report noted defects
- The van hasn't been driven since February 2025
- The quality of the repair is questionable
- The evidence provided hasn't been considered
- There's been an over reliance on the inspection report

I've carefully considered what Mr P has said in his response, and I acknowledge the defect noted by the independent inspection report, however it also concluded:

*"with the elapsed time and mileage covered in the vehicle, it is considered that sufficient time and mileage has been covered for the faults to not have been present at the point of sale".*

I recognise Mr P questions the reliance on this evidence, however I've seen no other expert evidence that contradicts what the inspection report has said. The inspection was carried out by an industry expert and vehicle inspection specialist. I've no reason to doubt it's expertise,

judgement or findings, and so I think it's reasonable in the circumstances to place considerable weight on what it's said.

Mr P said he hasn't used the van since February 2025; however, I've seen no evidence that it was undriveable. During the inspection carried out in May 2025, it noted a road test was carried out and the engine and gearbox performed to a satisfactory standard and with no warning lights or message. So, I don't consider that Mr P was not able to use it since February. I don't think it's unreasonable that he should be expected to arrange to have some of the other issues identified repaired.

I've reviewed the evidence provided by Mr P which included the images, and text conversations. Mr P appeared to be happy with a repair. It also showed the van was repaired within a few weeks.

All things considered, and from the evidence provided, I'm satisfied the van was repaired to a satisfactory standard and that this was a reasonable action under the CRA.

Having said that, I do consider that Mr P experienced some inconvenience and financial loss which MB should have to put right. Mr P was without the van for a few weeks in February when it was being repaired. I think it's reasonable that he should be refunded for this period when he was without the van and considering the distress and inconvenience caused, I'm in agreement with the Investigator that £175 is fair compensation in all the circumstances.

Mr P has raised concerns about the arrears on his account. I've not considered this in full in my decision as I've considered that may be the subject of a separate complaint. However, for the period when Mr P's van failed to when it was returned to him, I don't consider Mr P should be impacted by this on his credit file, so I'll be instructing MB to ensure no adverse information is recorded with the credit reference agencies in relation to the agreement during this period.

### **My final decision**

My final decision is that I uphold Mr P's complaint about MONEYBARN NO.1 LIMITED and instruct them to:

- refund to Mr P a prorated amount of his monthly rentals for the period he was without the van in February 2025
- pay a further £175 in compensation for the distress and or inconvenience caused
- remove any adverse information that may have been recorded with the credit reference agencies in respect of February's monthly payment

MONEYBARN NO.1 LIMITED should pay 8% yearly simple interest on all refunds calculated from the date of payment to the date of settlement.

If MONEYBARN NO.1 LIMITED considers that it's required by HM Revenue & Customs to withhold income tax from the interest part of my award, it should tell Mr P how much it's taken off. It should also give Mr P a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 21 January 2026.

Benjamin John

## **Ombudsman**