

The complaint

Mr P is unhappy with the quality of a car financed using a conditional sale agreement from Moneybarn No. 1 Limited.

What happened

In December 2022 Mr P entered into a conditional sale agreement with Moneybarn for a used car. The car was around five and a half years old and had been driven for 61,086 miles. The cash price was £22,695.

In August 2024, Mr P discovered a possible issue with the timing chain. He took it for diagnostic testing who said that the camshaft sensor needed to be replaced. They said if this didn't solve the issues he was experiencing, the timing chain needed to be replaced too.

Mr P had the timing chain replaced in November. After collecting the car, it then broke down. After returning it to the repairing garage, they said that it needed a new engine.

Mr P felt his car wasn't of satisfactory quality when the car was supplied as he wouldn't have expected a car of this age or mileage to need an engine replacement so soon. And so, he complained to Moneybarn. Moneybarn didn't think the car was of unsatisfactory quality at the point of supply and so said they didn't need to do anything more.

Unhappy with this response, Mr P brought his complaint to our service. One of our investigators looked into everything and said that there wasn't any evidence the issues the car had were related to the quality at the time of supply. So, he didn't recommend that Moneybarn do anything further.

Mr P disagreed and asked for an Ombudsman's decision. So, the case has been passed to me to review.

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.

Mr P acquired his car using a conditional sale agreement and so The Consumer Rights Act 2015 ("CRA") is a relevant legislation for this complaint. The CRA sets out expectations and requirements around the quality of goods supplied. In summary, goods should be of satisfactory quality. Section 9 of the CRA says that goods are of satisfactory quality if they meet the standard that a reasonable person would consider satisfactory. When considering the quality of a car, the age, mileage and price are things that need to be taken into account.

It is clear that Mr P paid to get the timing chain replaced. I can see this occurred in November 2024. The car also became undriveable at this time too and the evidence suggests that it needs a new engine.

I've then gone on to consider whether I would consider this a reason the car was of unsatisfactory quality using the parameters set out under the CRA.

The timing chain was replaced almost two years since Mr P had acquired the car, and after he had driven more than 11,000 miles since he took collection of it.

Bearing this in mind, I wouldn't expect Moneybarn to show that the issues weren't present or developing at the point of sale. I've instead considered the evidence supplied by Mr P.

The invoices provided by Mr P don't state whether the issues with the car were present or developing at the point of supply. And I've also considered the cars age, mileage and the price Mr P paid for it when it was sold to him. After doing so, on balance, and without evidence to the contrary, I can't fairly say that a reasonable person under the CRA would say that the issues Mr P had made the car of unsatisfactory quality at the point of supply.

It follows that I don't think Moneybarn have acted unreasonably in not paying for repairs or allowing Mr P to reject his vehicle. Because of this, I think they acted fairly in informing Mr P about other ways that he could exit his agreement early.

I know this will come as a disappointment to Mr P. If he is struggling financially, I would expect Moneybarn to provide support and treat Mr P fairly when doing this.

My final decision

My final decision is that I don't uphold this complaint for the reasons set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 5 January 2026.

Ami Bains
Ombudsman