

The complaint

Miss S complains about the quality of a car supplied to her by Moneybarn NO.1 Limited (“Moneybarn”).

What happened

Miss S entered into a conditional sale agreement with Moneybarn for the supply of a used car in June 2024. The car was around seven years old and had covered approaching 63,000 miles when supplied.

Shortly afterwards in July 2024, Miss S has told us that the car was suffering problems with smoke coming from the exhaust. She returned to the supplying dealership, who said it needed turbo repairs which they would arrange under warranty, and took the car back for around six weeks before returning the car to her in September 2024.

Then in March 2025 the car began suffering the same problems, and Miss S took the car to a third-party garage to be investigated. Their initial diagnosis was that the issues would be considered wear and tear and wouldn't therefore be covered under warranty.

She contacted Moneybarn in April 2025 to complain about the quality of the car. The car was off the road still, and Moneybarn arranged for an independent inspection of the car in June 2025. The engineer produced a report which referenced problems with the turbo, noted no previous repairs evident, and gave their opinion that as the car had covered approaching 9,000 miles since being supplied, the faults wouldn't likely have been present or developing at the point of sale.

Moneybarn followed this up with a final response letter (FRL) to Miss S's complaint and didn't uphold it. They said that there were issues with the car, but as Miss S had been able to cover approaching 9,000 miles since it was supplied, they didn't feel the issues were present or developing at the point of sale.

Unhappy with this, Miss S brought her complaint to our service. When Moneybarn had not upheld her complaint, the car had begun incurring storage charges at the independent garage where it had remained, so she arranged for it to be towed back to her home to avoid any further charges.

An investigator here investigated the complaint and upheld it. Moneybarn hadn't seen any evidence that the original repairs in 2024 had happened, and Miss S didn't have any paperwork as she'd been told the repairs had been done under warranty. She supplied our service with a voicemail however, which she said was from the supplying dealership and which said they had the car, and it had some turbo issues which they were arranging repairs for. Alongside this, Moneybarn's contact notes showed a note on 30 July 2024 saying that Miss S had called in and told them the car was unable to be driven and advising them that the dealer had said they would repair it. She was advised on the call to continue to make payments while it was repaired.

The investigator felt these combined were evidence that the car had had turbo problems

inside the first two months which had apparently been repaired, and then those repairs appear to have failed in March 2025. As this was a failed repair, the investigator felt this gave Miss S the right to reject the car.

Miss S highlighted the storage costs and towing fees she'd had to pay when Moneybarn didn't uphold the complaint, so the Investigator issued a second view saying that Moneybarn should also refund these to Miss S.

Miss S accepted this, but Moneybarn didn't. They highlighted that the independent report carried out in 2025 said that the turbo issues were wear and tear and wouldn't have been present or developing at the point of sale. They said that a voicemail and customer testimony don't prove previous repairs happened and asked for an Ombudsman to make 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.

Having done so, I've reached the same overall conclusions as the investigator, and for broadly the same reasons. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome. Where evidence has been incomplete or contradictory, I've reached my view on the balance of probabilities – what I think is most likely to have happened given the available evidence and wider circumstances.

In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and (if appropriate) what I consider was good industry practice at the time. Miss S was supplied with a car under a conditional sale agreement. This is a regulated consumer credit agreement which means we're able to investigate complaints about it.

The Consumer Rights Act 2015 ('CRA') says, amongst other things, that the car should've been of a satisfactory quality when supplied. And if it wasn't, as the supplier of goods, Moneybarn are responsible. What's satisfactory is determined by things such as what a reasonable person would consider satisfactory given the price, description, and other relevant circumstances. In a case like this, this would include things like the age and mileage at the time of sale, and the vehicle's history and its durability. Durability means that the components of the car must last a reasonable amount of time.

The CRA also implies that goods must conform to contract within the first six months. So, where a fault is identified within the first six months, it's assumed the fault was present when the car was supplied, unless Moneybarn can show otherwise. But, where a fault is identified after the first six months, the CRA implies that it's for Miss S to show it was present when the car was supplied.

So, if I thought the car was faulty when Miss S 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.

The key area in dispute in this case is Miss S's history with the car, and whether it had suffered problems needing repair in 2024. She's been clear with both Moneybarn and our service that the car had significant problems within a few weeks of it being supplied to her. She's described how smoke was coming from the exhaust, and the supplying dealership asked her to return there for them to examine it, and then to repair it under warranty. She's told us this was around July 2024.

She said they told her it had turbo problems and needed repair or replacement and has provided a voicemail which she says is from them about it. In that voicemail, it does say that the car is with the mechanic, and the turbo needs replacing or fixing, although we can't confirm who leaves the message, or when it was left.

It isn't ideal that there are no job cards to back up this account of events, but I note that in their FRL, Moneybarn have said that they've been told the dealer is no longer trading, which may explain this lack of an audit trail. To corroborate this testimony, I have used Moneybarn's own contact notes, which have a note on 30 July 2024 that Miss S had called in saying that the car was having problems, and was back at the dealership for repairs. This matches exactly her description of when things happened, and this contact note says she was advised to continue paying her agreement, and if she wasn't happy, she could reject the vehicle with the dealer or call back to raise a complaint.

I'm not sure why the supplier of the car Moneybarn have said she can reject the car with the dealership, which wouldn't be correct, but I am satisfied that this note, alongside the voicemail she received and provided, mean it's most likely that the car had turbo problems needing significant repairs within a few weeks of supply.

When the turbo has failed around six months later in 2025, and eventually an independent engineer has inspected the car, the car is then around 9-12 months after supply and has covered approaching 9,000 miles. They don't appear to have been informed by Moneybarn that repairs had been carried out in 2024, which would make sense, as Moneybarn don't appear to have any details of these repairs. They've concluded that at this point, the problems are unlikely to have been present or developing at the point the car was supplied, a conclusion which has led Moneybarn to not uphold the case.

However, as already discussed, I'm persuaded that the car was most likely having turbo problems in 2024. If this was the case, it suggests that either the car wasn't properly repaired in 2024 and has fully failed in 2025, or the repairs done in 2024 have failed in 2025. Either of these occurrences would give Miss S the right to now reject the car. Either a problem she highlighted after around a month of ownership has never been properly fixed, or it's been repaired, and those repairs have failed six months or so later.

In either event, it persuades me that this turbo problem was identified within the first six months and has gone on to completely fail after the car had been taken to be repaired. Moneybarn and their broker have had their one chance to repair the car, and as this has not fixed the problems, Miss S now has the right to reject the car.

If I move onto putting things right, I agree with everything in both views provided by the Investigator So aside from the standard parts of a rejection which I will outline below, I agree that it would be fair for Moneybarn to also refund her for storage costs and towing costs incurred by Miss S after the car broke down in March 2025 and was at an independent garage.

If Moneybarn had reached the correct conclusions to uphold the case in a timely fashion, the storage costs likely wouldn't have applied. In the event, after they have eventually not upheld her complaint, Miss S has moved quickly to mitigate the losses, found a towing company to transfer her car back to her home (as she had been told it should not be driven), and done this. She had to pay the storage costs to be able to tow the car away, and Moneybarn were aware that this was going on.

As such, I'm satisfied that in a difficult situation, where she's got a non-functioning car and isn't being given any clear help to sort things out by the supplier, she's acted reasonably to mitigate any further storage costs by having the car towed to her home. The invoice from the

independent garage also includes diagnosis costs for the turbo problems, which I'm also persuaded its fair for Moneybarn to refund to her. They haven't offered her any alternative to resolve things at this point, and it transpires that the supplying dealership have gone out of business so she potentially couldn't have gone back there anyway.

The final "non-standard" part of the redress recommended was recognising the six-week period in 2024 when her car was presented for repairs to the supplying dealership. Miss S has confirmed she was given a courtesy car, but that it was a normal size car, whereas her car under the agreement was a seven-seater. She's explained that this caused her problems because she had a seven-seat car to give her capacity to transport all her children, and the normal five-seater courtesy car meant she couldn't do this. The investigator recommended she be refunded 15% of her payments for this 6-week period from late July to September 2024, and on balance, I think this feels fair.

I am upholding this complaint and will detail all the actions Moneybarn should take below to put things right.

Putting things right

I instruct Moneybarn to carry out the following actions to put things right:

- End the finance agreement ensuring that Miss S isn't liable for any further monthly rentals once the car is collected.
- Collect the car at no cost to Miss S (please liaise with Miss S or the investigator here to ensure this is done from the correct address as she has moved).
- Refund all monthly rentals paid since 1 April 2025 when the car had broken down and was not driveable.
- Refund storage costs and diagnostics charges, discounted to £900 by the independent garage, invoice has been supplied.
- Refund recovery costs of £108 to recover the undrivable car back to Miss S's home.
- Refund six weeks of rentals for the period July 2024 – September 2024 when the car was at the supplying dealership for repairs and the courtesy car provided was too small.
- Pay 8% simple yearly interest on all refunded amounts from the date of payment to the date of settlement.
- Pay a further amount of £200 to recognise the distress and inconvenience caused to Miss S by the supply of a fault car.
- Remove any adverse information regarding this agreement from Miss S's credit file.

My final decision

I am upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 11 February 2026.

Paul Cronin
Ombudsman