

## The complaint

Mr R complains about the quality of a used car he acquired through a conditional sale agreement with MONEYBARN NO.1 LIMITED ('Moneybarn'). Mr R says the car isn't of satisfactory quality and in his initial complaint he said he wanted the car repaired at no cost to him.

## What happened

Mr R's complaint is about the quality of a car he acquired in 2024. The car was used, and it was first registered in 2016. So, it was about eight years old when Mr R received it. It had covered 65,526 miles.

Mr R acquired the car using a conditional sale agreement that was started in 2024. The vehicle had a retail price of £7,790. Mr R paid a £152.85 deposit meaning £7,637.15 was financed.

This agreement was to be repaid through 59 monthly instalments of £287.99. If Mr R made repayments in line with the credit agreement, he would need to repay a total of £17,144.26.

Mr R has complained to Moneybarn about the quality of the car. After initially not upholding the complaint Moneybarn has upheld it, and it has agreed that the car is not of satisfactory quality. The agreement has been unwound, and Mr R no longer has the car, it was recovered and returned to Moneybarn in August 2025.

Mr R hasn't agreed with how Moneybarn has assisted him and the compensation he has been offered by it. This is in relation to the costs he incurred when he could not use the car and the repairs that he paid for.

Our Investigator upheld Mr R's complaint. He said it was agreed that the car wasn't of satisfactory quality and should be rejected. Our Investigator also thought that Moneybarn should be responsible for the repairs that Mr R had completed after he complained to Moneybarn. This was on the basis that Moneybarn's first two responses to the complaint had told Mr R that he needed to pay for the car to be repaired himself.

Mr R largely agreed with what our Investigator said, other than the compensation amounts for alternative transport.

Moneybarn didn't agree with the Investigator. In addition to rewinding the credit agreement and taking back the car, it agreed to pay for the costs of recovery, the hire car and taxi costs of £319 and £262.

But Moneybarn didn't agree it should fund the repairs to the car as it says these were '*unauthorised*'. Our Investigator responded and said that providing a car that was of unsatisfactory quality, providing poor service and contradictory advice were instrumental in Mr R incurring the repair costs and so it should refund these as well.

Because Moneybarn didn't agree, this matter has been passed to me 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.

There has been a significant amount of correspondence about the events that took place before the agreement was ended. I have read all of this, but I won't refer to it all here or talk about all the issues that have been raised as I don't need to refer to all of it to reach my decision. So, I'll just talk about what is needed for me to decide if Moneybarn has acted fairly.

Mr R has complained about the quality of the car, and it's been accepted that it wasn't of satisfactory quality. Moneybarn has agreed to pay part of the compensation our Investigator recommended on this basis. I'm only considering now whether the compensation is adequate for what went wrong. And the main remaining issue is whether Moneybarn should pay the repair costs Mr R incurred.

Below is a summary of the issues complained of by Mr R and the investigation and repair work that has been carried out by the dealership, alongside what has happened in respect of the complaint.

The car broke down in April 2025 and the report from the recovery company said that this was because the timing belt had broken. The car had covered 77,456 miles at this time.

A third party report was completed about the car in April 2025. This report concluded that the car wasn't of satisfactory quality. This is because there was evidence that there was a 'decal' on the car that showed the timing belt, and tensioner, had been replaced in October 2023 when the car had travelled 64,103 miles. But the condition of the timing belt, and the lack of evidence of any work being done on this area of the car, made it unlikely that the timing belt was actually replaced. It concluded that the problem with timing belt was likely developing at the time of sale and made the car of unsatisfactory quality. And that car was likely misrepresented when Mr R purchased it. There is now no dispute about this.

Mr R complained to Moneybarn in April 2025. Moneybarn rejected this complaint and as part of this it said that *'You will need to resolve the reported vehicle issues, funding any necessary repairs, to ensure the vehicle is roadworthy and maintained to a reasonable standard, as per your vehicle finance agreement terms and conditions.'*

Moneybarn has provided information from a telephone call that took place in April 2025 in which Mr R said that he was intending to repair the car. And he was informed these would be deemed as *'unauthorised'* repairs.

The third party report was provided to Moneybarn in May 2025 and it's established that Moneybarn didn't properly act on this information. In time it issued a second complaint response in which it offered to refund some of the repayments Mr R paid, as it hadn't properly considered the complaints and the information provided. As Mr R didn't agree it went on to further consider the complaint, and it issued a third final response in which it agreed that Mr R could now reject the car and receive compensation on this basis.

Mr R went on to have the car repaired, it's been established, and I've seen repair invoices that show the total Mr R paid to have the engine replaced was £4,400. And that this repair

wasn't successful. Mr R has said he was acting on the instruction contained in the first complaint response letter when he did this.

To be clear Moneybarn has not agreed that it should pay for the repairs to the car. In the latest final response it said that as Mr R had elected to have the vehicle repaired without prior consultation or authorisation then it has lost the ability to (perhaps) have the car repaired more economically or establish whether the repairs made had failed. It didn't think it should pay for the repairs because of this.

As I said above I'm not going to reproduce all of the correspondence here but it's very clear that Mr R did keep Moneybarn informed about all of the problems with the car and that he was undertaking to have it repaired. Moneybarn had enough information to determine that the car wasn't of satisfactory quality before Mr R undertook repairs to the car. And it is right to say that in the first complaint response it informed Mr R that he was responsible for funding the repairs to the car and this is also reflected in the conditional sale agreement which also has wording to the effect that Mr R had agreed to make any repairs to the car.

So, I think it was reasonable for Mr R to act on the information he had received about this when it was clear Moneybarn would not fund or assist with the repairs. And it's also reasonable to say that Moneybarn had the opportunity to undertake or assist with the car repairs, but it chose not to do so. Essentially it lost whatever opportunity it may have had to mitigate the cost of this by its own actions and or inaction.

Moneybarn has frequently said that the repairs were 'unauthorised'. It's not clear to me what it means in the context of this situation. It clearly said that Mr R was responsible for the repairs but seems to think it needed to authorise these in some form. But it also didn't do this, and the complaint responses are clear that it doesn't think it should.

I'm not sure what it expected Mr R to do here. The car wasn't driveable as it was which Moneybarn knew about, and it also knew he was complaining about the quality of the car. Mr R had also provided evidence from a third party that indicated it wasn't of satisfactory quality. I can't see how Moneybarn can think it's reasonable, and how it's treating its customers fairly, to say that it won't engage with the repairs that were needed to the car, but then reject the complaint on the basis that it didn't authorise the repairs. When it is clear it should have authorised the repairs. This is contradictory, confusing, and unhelpful. And this lack of assistance and poor customer service over time is one of the reasons I think this complaint should be upheld.

Mr R has explained how all of this has inconvenienced him and Moneybarn has already offered to pay £200 compensation for this. But I agree given the amounts of problems this has caused Mr R, and the long running nature of the dispute that £300 is reasonable.

Moneybarn has already agree to repay some of the costs Mr R incurred due to the car breaking down. These are the recovery costs of £211 in total. The independent report costs of £195, car hire costs of £319 and taxi costs of £262. I agree these are reasonable and these costs are £987 in total.

I can see that Mr R has said that the taxi and other transport costs should be increased. But he will also be in receipt of some of the repayments he has made, which will mitigate this to some degree. I don't think this part of the award should be increased as what I've seen hasn't persuaded me that Mr R should receive back all of the alternative transport costs he has provided and the amounts he paid to Moneybarn over the same period.

Moneybarn has also agreed to refund the payments Mr R has made from 11 April 2025 when the car broke down. I agree with this and this forms part of my award below.

## **Putting things right**

I uphold this complaint against Moneybarn and it should pay the compensation below. It's not clear which parts of this it has paid, but it should now pay the full amounts. Moneybarn doesn't need to pay any of the amounts or parts of the compensation it has already paid again. But it should now:

- Refund all the repayments Mr R made from 11 April 2025 to the date of settlement as Mr R reasonably stopped using the car at this point.
- Refund Mr R £4,400 for the repairs to the car.
- Refund Mr R £987 for the costs he has incurred as above.
- Pay 8% simple yearly interest on all refunded amounts from the date of payment until the date of settlement.
- Pay £300 in total for any distress or inconvenience that's been caused due to the faulty goods.
- Remove any adverse information from Mr R's credit file in relation to the agreement.

If Moneybarn considers that it's required by HM Revenue & Customs to withhold income tax from the interest part of my award, it should tell Mr R how much it's taken off. It should also give Mr R a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

## **My final decision**

For the reasons I've explained, I uphold Mr R's complaint.

MONEYBARN NO.1 LIMITED should put things right by doing what I've said above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 20 February 2026.

Andy Burlinson  
**Ombudsman**