

## The complaint

Mr M complains about the quality of a used car he acquired through a conditional sale agreement with MONEYBARN NO.1 LIMITED trading as ('Moneybarn'). Mr M says that he has had a significant number of problems with the vehicle and it is not fit for purpose. He would like a refund of the payments he has made.

## What happened

Our Investigator thought the complaint should be upheld. Moneybarn disagreed with the Investigator's opinion. The complaint was then passed to me.

I issued my provisional decision saying that Mr M's complaint should not be upheld. A copy of the background to the complaint and my provisional findings are below in italics and form part of this final decision.

## What I said in my provisional decision:

*Mr M's complaint is about the quality of a car he acquired in July 2023. The car was used and it was first registered in April 2015. So, it was just under eight years old when Mr M received it. The point of sale documentation shows it had covered 96,765 miles.*

*Mr M acquired the car using a conditional sale agreement. The vehicle had a retail price of £22,390. Mr M financed all of this. This agreement was to be repaid through 60 monthly instalments of £573.89. If Mr M made repayments in line with the credit agreement, he would need to repay a total of £33,859.51. Based on the statement of account an outstanding balance remains due.*

*Mr M has complained about the quality of the car. There has been a significant amount of correspondence in this complaint, and all parties are aware of what the problems have been with the car. So, I'll only provide a summary here of the issues complained about by Mr M and the investigation and repair work that has been carried out by the dealer and another garage, alongside what has happened in respect of the complaint.*

- *The sale of the car took place in July 2023, but Mr M couldn't start using it until August 2023. This because the dealer was making some repairs to it.*
- *On collection, Mr M said the car had some problems with the brakes, a tyre was close to the legal limit, the car 'thumped', the engine was consuming fuel excessively and going into limp mode.*
- *In September 2023 the dealer repaired the brakes, the drive shaft and the windscreen wipers, a pipe in the engine was repaired which may have been causing the engine problems.*
- *Mr M says the car was returned to him in October 2023. He says the car was driven for around 800 miles by the dealer who seems to agree that it had used the car 'a lot' in some messages I've seen.*
- *Mr M says there were still problems with the drivetrain, a windscreen wiper and he says the car was entering limp mode at times. He says the dealer wasn't prepared to assist him further as it said it had spent enough money on the car.*
- *Mr M says the problems have persisted but the next time there is a record of the car being worked on is in February and March 2024 when Mr M started to use a third party garage. This garage has identified and made repairs to some of the following: engine pipes, a split inlet manifold, suspension parts, oil leaking from the turbo, coolant leaks, brake flexi hoses, rear anti roll hydraulic lines, brake motor, brake discs and there were some problems with the*

transmission. The information from the third party garage indicates that a replacement engine had been fitted poorly.

- Mr M told Moneybarn that he wanted to reject the car in April 2024.
- The car did pass its MOT in July 2024 but Mr M says there have been continuing problems with the drivetrain, the suspension and oil leaks from the engine and further repairs were made to the exhaust gas regeneration ('EGR') system in August 2024.
- And in September 2024 the garage identified an oil leak connected with the turbos and it said it was likely that they would both need replacing, with possible further work needed to the engine which would be significant. Mr M stopped using the vehicle at this point.

Mr M has tried to sell the car and exit the contract, but he says he has only been offered 'scrap value' for it. He voluntarily terminated the agreement with Moneybarn later in 2024 and he still owes an outstanding amount to Moneybarn.

Mr M has complained to Moneybarn about the quality of the car. This has been a long running and Moneybarn has considered Mr M's complaint several times. It hasn't upheld the complaint. It thinks that the issues Mr M has experienced with the car are due to the age of it and to wear and tear. Mr M didn't agree with this and brought his complaint to the Financial Ombudsman Service.

Our Investigator upheld Mr M's complaint. He said that it was likely the car wasn't of satisfactory quality and Mr M had evidenced this. The repairs that were completed early in the life of the vehicle hadn't made the car of satisfactory quality. He should have been able to reject the car in October 2023, and compensation should be based on this and include the amounts Mr M had spent repairing the car himself.

Moneybarn didn't agree with the Investigator. It said that Mr M hadn't reached out to it about the problems with the car and it shouldn't have to pay for unauthorised repairs to it. The evidence about the problems and repairs to the car are incomplete and it's not clear that they are due to a failed repair. Moneybarn has not been made aware of all the problems with the car or given the chance to put them right.

There was some further correspondence, but no new issues were raised. Because Moneybarn didn't agree, this matter has been passed to me to make a final decision.

### **What I've provisionally 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 need to have regard to the relevant law and regulations, regulators' rules, guidance and standards, codes of practice and (where appropriate) what I consider was 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 to reach what I think is the right outcome.

The agreement in this case is a regulated conditional sale agreement – so we can consider a complaint relating to it. Moneybarn as the supplier of the goods under this type of agreement is responsible for a complaint about their quality.

The Consumer Rights Act 2015 ('CRA') is relevant to this complaint. It says that under a contract to supply goods, there is an implied term that 'the quality of the goods is satisfactory'.

To be considered 'satisfactory', the goods would 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. 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 car's history.

*The quality of the goods includes their general state and condition and other things like their fitness for purpose, appearance and finish, freedom from minor defects, safety, and durability can be aspects of this.*

*This car was around eight years old when Mr M acquired it and it had travelled around 95,000 miles. I think a reasonable person would accept that such a vehicle would probably have some parts that are worn and nearing the end of their life and would need replacing sooner or later – which is reflected in the lower price paid in comparison to a new vehicle.*

*But there's also a reasonable expectation that a vehicle will be relatively durable - taking into account its age, price and mileage at the outset. So even though the vehicle wasn't new Mr M should have been able to use it for a reasonable period before it needed significant work.*

### **Was there a fault with the car**

*As I've outlined above there has been repairs and maintenance to the car over time. The evidence I've seen isn't entirely complete regarding these, but broadly speaking the car dealer says that it serviced the car before it was supplied and replaced the timing belt and the water pump. Around two months after supply the dealership repaired the brakes and the drive shaft and a wiper blade. I understand this was at no cost to Mr M.*

*Mr M says there were problems with the car when he picked it up from the dealer after this initial work, but he didn't get the car looked at again until February 2024 when a third party garage replaced the inlet manifold. The garage said various other parts of the car would need repairing soon and as I've outlined above. I can also see that it repaired the radiator hoses and a fuel leak in March 2024. No work was needed again until the EGR was replaced in August 2024. And a diagnostic in September 2024 showed that the turbochargers needed a repair or replacement.*

### **Was the car of satisfactory quality bearing in mind the fault**

*Whilst I have noted these faults and problems, this doesn't necessarily mean that the car wasn't of satisfactory quality at the time of supply. The overriding factor here is that this was a used car that had travelled a significant number of miles before Mr M acquired it. So, it was always going to need some repairs and maintenance over time, as it did. I've thought about whether the work that the car needed was reasonable for a car of this age and prior usage.*

*Whilst this car has clearly needed a lot of work over the approximate year of Mr M's ownership, but I think these problems are largely due to wear and tear and the previous use of the car, rather than it being faulty at the time of supply.*

*When Mr M acquired the car the brakes and wiper blades and timing belt were repaired and or replaced. But it isn't unusual for a car of this age and prior usage to need work on these areas.*

*Around seven months into Mr M's use of the car the inlet manifold was replaced but I understand the car had travelled over 100,000 miles at this point. I think it's reasonable to say that this part of the engine was at the end of its expected life. And the same applies to the EGR which needed work just over a year after Mr M started using the car. And the turbos were also near the end of their expected life. There was ongoing work to the suspension, braking systems, and transmission and related components. But all of these, realistically, are issues and problems that happen to cars of this age and usage and aren't unusual.*

*And whilst I've noted what Mr M has said about the dealership using the car, and he has provided some evidence to back this up. It's not clear how much it did use the car, and this would only be at the start of Mr M's ownership of it. I don't think it's established that the dealership drove the car most of the miles that it travelled over the time Mr M used it. And that Mr M's use of the car was actually very low.*

*I think it's reasonable to say that Mr M has been able to use the car. From what I can see it has travelled over 8,000 miles in the time Mr M has used it. Which seems to indicate that, for the most*

*part, he's been able to use the car normally. And I can see that there were long periods that Mr M drove the car seemingly without problem, such as between after the first repairs and maintenance that ended in October 2023 until February 2024. And then until August 2024 after the intake manifold was looked at. Which doesn't support what he says about the car having problems all the time.*

*So, having considered everything, I can't say it's likely that the problems were apparent or developing at the time the car was supplied to Mr M. It follows that, having looked at everything, I think it's reasonable to say that the car has been relatively durable. So, I don't think it's reasonable to say that the car wasn't of satisfactory quality.*

*Mr M has provided some information about the cars service history, and the manufacturers record of this isn't complete. But this doesn't necessarily mean that the car hasn't been serviced or serviced incorrectly. I don't have enough to say this is likely to be the case.*

## **Developments**

Moneybarn, and Mr M, received my provisional decision. Moneybarn didn't comment after they'd seen it.

Mr M, didn't agree with my provisional decision. He said that, in summary:

- He only travelled 4,000 miles in the vehicle, not 8,000 miles. He said that the dealership had driven these extra miles when it was looking at the car.
- Even though he accepted it was an older vehicle, the amount and cost of repairs was too high. It would cost about as much as he paid for the vehicle to repair it.
- He outlined the repairs that were made to the vehicle when he used it, and the problems he had with it over time. He reiterated that a third-party garage has told him that the car isn't worth repairing, and wasn't worth what he paid for it.
- The fact that the car has passed its MOT doesn't mean it was in good condition.

As no agreement has been reached, I've gone on to issue my 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.

I think it's reasonable to say that, whilst I've considered what Mr M said, I don't think he raised any new points or provided any new information after receiving my provisional decision. So, I've reached the same conclusions I reached before, for the same reasons.

In respect of the mileage, whilst I appreciate what Mr M has said here about the dealer using the car, there isn't much more about this than what Mr M has said. There is a message that implies the car dealer has used the car at some points, but there isn't anything that conclusively shows that the car dealer used the car in the way that Mr M has said. And even if there was, he seems to have known about this, and it doesn't detract from the fact that the car travelled these miles.

The crux of Mr M's complaint, and response to my provisional decision, is that the car has needed too many repairs and maintenance to say that it was of satisfactory quality. I have reconsidered the evidence that has been provided about the problems Mr M has had with the car. I accept that it did need significant repairs and maintenance and he wasn't able to action all of these due to the cost of them. But I'm still not persuaded that the issues Mr M had with the car are due to faults that would make it of unsatisfactory quality, rather than being from wear and tear due to its age and previous usage. I'm not going to detail each problem, but I still think they are all common issues for vehicles of this age and prior usage. I

still don't think that the car was of unsatisfactory quality and that Mr M's complaint should be upheld for this reason.

I can see that Mr M has suggested that I speak to the garage that worked on the car to get a clear idea of what was wrong with it. But I think the documentation he provided does clearly show this and so I don't need to speak to the garage for any further information. And I'd like to reassure Mr M that his complaint was clearly made.

I can see that Mr M feels strongly about this and I'm sure my decision will not be the outcome he wanted. I hope it doesn't cause him any distress. But I'm not upholding his complaint for the reasons above and in my provisional decision.

### **My final decision**

For the reasons set out above, I don't uphold Mr M's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 13 March 2026.

Andy Burlinson

**Ombudsman**