

## The complaint

Mr L is unhappy that a car supplied to him under a conditional sale agreement with Moneybarn No1 Limited t/a Moneybarn (Moneybarn) was of unsatisfactory quality and how they dealt with the termination of his agreement.

When I refer to what Mr L has said and what Moneybarn have said, it should also be taken to include things said on their behalf.

## What happened

On 27 October 2023 Mr L was supplied a used car via a conditional sale agreement with Moneybarn. The cash price of the car was £9,995 and Mr L paid a deposit of £320 followed by 56 monthly payments of £305.12. The total amount payable under the agreement was £17,406.72. The car was just approximately eight years old and had travelled 82,129 miles at the time of supply.

Around mid-May 2024 the car suffered an engine fault and broke down. As the car had broken down in a position that caused an obstruction the police arranged recovery of the car. The recovery service took it to their storage facility and whilst there it was damaged by a forklift truck. The recovery service agreed to repair the damage but only once the car was mechanically working. The car was then delivered to a relative of Mr L's driveway. The car suffered further damage as the recovery service failed to apply the handbrake.

Mr L contacted Moneybarn and agreed to a voluntary termination. There is some dispute as to the nature of the communications between the two parties and what was exactly agreed, this is covered in more detail in my decision below. In the end Moneybarn sold the car at auction without carrying out any repairs and added loss of value (LOV) charge to the amount he owed. As he was not happy with this he complained to Moneybarn.

On 7 July 2025 Moneybarn issued their final response to Mr L's complaint. They stated that the basis of the complaint that they were looking into was the fact that Mr L was unhappy that they had added the LOV charge to his agreement when he had previously advised that the 3<sup>rd</sup> party who had damaged the car required a detailed invoice. Whilst acknowledging that Mr L did not receive a call back as promised, they did not feel that they would have done things differently. They pointed to an email dated 23 April 2025 where they highlighted the estimated costs of getting the car back into a fair wear and tear position. They did offer Mr L £25 for the lack of call back.

As Mr L wasn't happy, he complained to us.

On 31 October 2025 our investigator issued their view of the case. They did not uphold Mr L's complaint. Given the length of time that had passed since supply it was up to Mr L to show that the car was not of unsatisfactory quality. They also felt that the fact that Mr L had had the car in his possession after being returned from the recovery service for eight months he could have arranged for a quote himself. They felt it was reasonable that Moneybarn sell the car at auction and recover the LOV in addition to any outstanding credit charges. They felt that the £25 offered for a lack of call back was fair.

Mr L was not happy with the investigators view. In particular he had informed Moneybarn that the recovery service were willing to pay for the bodywork repairs so he needed a detailed invoice before the car was sold. He also felt that he had been prejudiced and treated unfairly, meaning he had lost the chance to recover the repair costs.

On 20 February 2026 our investigator confirmed that in listening to calls and reviewing evidence their view remained the same.

As Mr L was still not happy it has been passed to me to consider.

### **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 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.

Mr L was supplied with a vehicle under a conditional sale agreement. This is a regulated consumer credit agreement which means we are able to investigate complaints about it.

I need to consider two elements to Mr L's complaint. The first being whether the car supplied was of satisfactory quality. The second is whether Moneybarn dealt with Mr L's voluntary termination fairly. I will deal with the quality aspect first.

The Consumer Rights Act 2015 (CRA) is of particular relevance 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". The CRA says the quality of goods is satisfactory if they meet the standard that a reasonable person would consider satisfactory taking into account any description of the goods, the price and all the other relevant circumstances. So it seems likely that in a case involving a vehicle, the other relevant circumstances a court would take into account might include things like the age and mileage at the time of sale and the vehicle's history.

The CRA says 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. Where goods are second hand, as in this case, due regard must be had to the price, age and any description applied to the vehicle.

So, if I thought the vehicle was faulty or not fit for purpose when Mr L took possession of it and this made the vehicle not of a satisfactory quality, it'd be fair and reasonable to ask Moneybarn to put this right.

The CRA sets out some key dates post contract with regards the burden of proof in relation to the goods being of unsatisfactory quality. The CRA gives the consumer the automatic right to reject if the goods are not of satisfactory quality and that fault is discovered within 30 days. After that period but before six months the burden of proof is on the business to show that the faults were not present at supply and the goods are of satisfactory quality. After six months the burden of proof then resides with the consumer.

I need to consider whether there is an inherent fault with the car and then if there is does this fault make the car of unsatisfactory quality. Mr L was supplied with the car on 27 October 2023 and it failed in May 2024. From the records I can see that the car was supplied having travelled 82,129 miles and at the time of the failure it had travelled a total of 98,150 miles. From Moneybarn's case notes it appears that they were not informed of the issue until 4

March 2025. Mr L states that he spoke to a garage and they advised verbally that a full engine replacement would be required at a cost of roughly £6,000. However this garage did not examine the car and Mr L did not proceed with a physical examination due to the costs associated with it.

There is clearly an issue with the car, as can be shown by both the breakdown itself and the recovery service stating that the car would need to be mechanically fixed before they would repair the bodywork. The breakdown occurred after the first six months of supply. It is up to Mr L to show that the car was unsatisfactory at the time of the supply. This evidence is normally in the form of an independent garage inspection. Mr L did contact a garage. They provided a quote on the basis that a full engine replacement was required. The fact that no physical examination took place means that I cannot conclude that the car was of unsatisfactory quality at the time of supply.

The second element of Mr L's complaint relates to how Moneybarn dealt with his voluntary termination. When considering this element I need to be clear that I cannot hold Moneybarn to account for either the damage caused by or the actions of the recovery service.

The starting point is whether the termination and associated charges were conducted in accordance with the terms of the contract and what is permissible in law.

The terms are clear and section 7.4 is particularly relevant as it sets out that if the car is not returned in a reasonable condition then Mr L would be liable to pay either the costs to bring it up to a reasonable condition or the difference in value. Whatever was the lower of the two.

I can see that in arranging the early termination they wrote to Mr L on 23 April 2025 with an estimated cost of repair, namely £1941.65 for the bodywork and £2000 for mechanical repairs. This letter is clear that the best option would be to sell the car at auction in its current state rather than undertake the repairs. This letter clearly states "We will now start the sales process and once that's complete we'll send you a letter confirming the final amount you owe us and the next steps"

Mr L called Moneybarn on the same day and I have listened to a recording of that conversation. The agent is clear to Mr L that as the repairs will not be undertaken they cannot provide an invoice. Whilst Mr L does reiterate that the recovery service requires a detailed invoice at no point does he request that the auction sale not go through. He accepts that it will be a lower value because of the damage but it is the fault of the recovery service. The agent agreed to get advice and give him a call back.

Whilst I have empathy with the position that Mr L finds himself in and that through the actions of the recovery service he finds himself in a worse position. Like our investigator I feel that the recovery service could have dealt with the matter better, but I can't hold Moneybarn liable for this.

Mr L had agreed to the voluntary termination and Moneybarn processed this appropriately. I cannot see any evidence to show that the voluntary termination was agreed on the condition that Moneybarn provided an invoice for the costs of bodywork repairs. They are under no obligation to do so. The communication from Moneybarn is clear in what the estimated charges are and what their course of action is. They sent a letter dated 4 March 2025 which sets out the various options Mr L had and that he has chosen to terminate the agreement. It gives an estimated cost of that option. It also states that if Mr L changes his mind to contact them. This is then backed up by the letter dated 23 April 2025 mentioned above. Mr L did not communicate that he had changed his mind and Moneybarn proceeded as set out in their communications.

The LOV charges have been applied in accordance with the contract and are permitted under the Consumer Credit Act 1974, section 100 (4) states:

*If the debtor has contravened an obligation to take reasonable care of the goods or land, the amount arrived at under subsection (1) shall be increased by the sum required to recompense the creditor for that contravention, and subsection (2) shall have effect accordingly.*

Mr L has stated that he feels that Moneybarn haven't treated him fairly and in line with guidance and principles. This is primarily due to them selling the car whilst there was an outstanding third-party liability and the lack of documentation relating to the auction sale. As I stated earlier Mr L agreed to the voluntary termination. Moneybarn followed a fair process and communicated with Mr L and he had the opportunity to change his mind. They are under no obligation to provide a detailed invoice for the repair work, especially as none was carried out. It was simply provided to help decide what was the best course of action. This third party liability had been outstanding since May 2024. This provided enough time for Mr L to resolve the matter with the recovery service, prior to agreeing to the early termination.

Mr L has asked for details relating to the sale such as pre-sale valuation, condition report etc. Moneybarn are under no obligation to provide this. What I can see is from the final statement dated 17 September 2025 there is an additional charge for LOV of £2,311.13. This is lower than the LOV had Moneybarn repaired the car before sale. So I cannot conclude that they have treated him unfairly.

Clearly they should have called him back but that would not have changed the process for the early termination. They have offered him £25 compensation for this and I think this is fair.

I do not uphold this complaint.

### **My final decision**

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 4 May 2026.

Leon Livermore  
**Ombudsman**