

## **complaint**

Mr W complains that a car he financed using a conditional sale agreement from Moneybarn No. 1 Limited is faulty. He wants to reject the vehicle.

## **background**

Mr W financed a car with a conditional sale agreement from Moneybarn on 5 July 2017. In September 2017 Mr W contacted Moneybarn to say that he'd had issues with the car and a breakdown service had diagnosed a problem with the camber sensor and replaced a fuse as a temporary fix. Mr W says both the breakdown service and a motoring retailer advised him to take the car to a main dealer, but the supplying dealer told Mr W to return it to them.

When the supplying dealer assessed the car, it found no mechanical issues. It identified a window regulator had been poorly fitted by a third party but refitted that and balanced the wheels. It also replaced the fuse for the camber and electronic control unit (ECU) and said there were no other issues. Mr W said he wanted to reject the car as he'd lost confidence in it. He said he needed a reliable car due to health issues and that he was incurring default charges on his finance agreement. The car remains in the garage.

The supplying dealer offered to return the car to Mr W for free and said it would reconsider rejection if further issues arose. Mr W refused to have the car back and stopped making his contracted payments. A default notice was issued on 22 December 2017. Mr W offered to pay £100 per month towards the agreement, but, as that was significantly less than his contracted payments (£378.86), the agreement was terminated on 12 January 2018.

Our investigator did not uphold Mr W's complaint. He explained that Mr W was not entitled to reject the car without giving the supplying dealership an opportunity to make the repair.

Mr W responded to say, in summary, that he'd been told the camber sensor needed replacing and that he wasn't confident a changed fuse had fixed the problem. He said he currently had no car and this ongoing case had adversely affected his credit file.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

When Mr W took out the conditional sale agreement, Moneybarn became liable for the quality of the car. The law says the car needs to be of satisfactory quality and I must take the relevant law into account when deciding what's fair and reasonable in this case.

Six weeks after he signed the agreement, Mr W applied for a further loan. Moneybarn's notes suggest Mr W wanted to upgrade the car as it was too small. This application was declined and Mr W then asked for an early settlement figure which he received on 1 September 2017. Mr W made his first and only repayment on 5 September 2017.

Moneybarn first became aware of issues with the car on 13 September 2017. Mr W said he'd had the window regulator replaced, but he'd also had to call a breakdown service to the car. He said the service changed a fuse, but said it was only a temporary fix as the camber sensor needed replacing. Mr W also took the car to a motoring retailer who said it could not diagnose a fault and that he would need to take it to a main dealer.

The supplying dealer asked Mr W to return the car to them for assessment and, following extensive testing, it identified the window regulator needed refitting and the wheels needed balancing. It completed this and also replaced the fuse for the camber and ECU. The supplying dealer confirmed the car had been repaired, but said it would reconsider rejection of the vehicle should any further issues arise. Mr W insisted he'd rejected the car and did not collect it from the garage.

As Mr W made no payments to Moneybarn after September 2017, it issued an arrears notice to him, followed by a default notice on 22 December 2017. Moneybarn had two further conversations with Mr W in January 2018 when he explained he'd rejected the car, before Mr W then offered to repay £100 per month. As this was significantly less than Mr W's contractual payments, Moneybarn rejected this offer and the agreement was terminated on 12 January 2018. I can't say Moneybarn was wrong to do so.

I acknowledge Mr W says he's no longer confident in the car's reliability, but I can't agree he's entitled to reject it at this stage. I think it's fair and reasonable that the supplying dealership has the opportunity to repair the car and, as it's now saying it's done so, I can't conclude it's done anything wrong. As it also offered to reconsider rejection should any further issues arise, I don't think it needs to do anything further at this stage. I acknowledge Mr W says the breakdown service and the motoring retailer had different opinions to the dealer, but I can't see the retailer actually diagnosed any faults.

Where the evidence is contradictory, or inconclusive, as is the case here, I must make a judgement based on the balance of probability. In this case, I'm persuaded by the supplying dealer that the car has no current faults and that this continues to be the case. I accept that both the breakdown service and the dealer changed a fuse, but I note the supplying dealer also carried out extensive testing to confirm there were no other issues. I find the dealer's offer to reconsider rejection should the car develop a further fault to be fair and reasonable. Should this happen, Mr W is entitled to bring a new complaint to this service.

That said, I'm aware Mr W's contract has now been terminated. Moneybarn has said it can't reinstate the contract, but would consider a consent order if certain conditions are met. I accept that Mr W is unlikely to request that as he's previously suggested the car was too small. However, he is free to contact Moneybarn if he wants to reconsider that option.

Finally, I acknowledge Mr W is concerned about the effect on his credit file. Moneybarn is obliged to report accurate information to the credit reference agencies and, as far as I can see, Mr W isn't disputing the accuracy of the entries on his credit file. So I can't ask Moneybarn to amend the information.

### **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 W to accept or reject my decision before 16 April 2018.

Amanda Williams  
**ombudsman**