

complaint

Mr M complains that a car which he purchased with finance from Moneybarn No 1 Limited was not of satisfactory quality at the time of purchase.

background

Mr M purchased a car in September 2016 and entered into a conditional sale agreement with Moneybarn.

In December 2016 Mr M contacted Moneybarn and reported several problems with the car, including a coolant leak, noisy wheel bearings and issues with the radio and rear window.

Moneybarn referred Mr M to the supplying dealership for investigation and repairs; however, the dealership had ceased trading. Moneybarn asked Mr M to take the car to another dealership in Warrington. But this was a long distance from Mr M's home and he was unable to transport the car.

The dealership in Warrington eventually agreed to recover the car but by this time a further month had passed and Mr M had arranged for his car to be inspected and repaired locally, and had paid for the repairs himself.

Moneybarn say that the problems with the car were caused by wear and tear and were not faults inherent at the time of purchase.

The investigator upheld the complaint. She said that the nature of the problems and the fact that they came to light so soon after Mr M purchased the car meant that it was likely that the faults were present at the time of sale.

Moneybarn didn't agree. It said that the coolant leak was caused by a faulty plastic unit and that because the car had covered 4000 miles before Mr M reported the fault, this made it more likely than not that the problems were due to wear and tear.

my findings

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

Mr M contacted Moneybarn to report the problems after owning the car for 3 months. He reported a number of problems which included (but which were not limited to) a coolant leak, which had rendered the car un-driveable. There's a presumption that problems which occur within the first 6 months of purchase were inherent at the time of sale unless there is evidence to the contrary.

Moneybarn wanted Mr M to have the vehicle inspected at a garage suggested by them. This was a considerable distance away. Mr M couldn't afford to transport the car to Moneybarn's preferred garage and he says that Moneybarn refused to cover these costs. In the circumstances, I don't think it was fair of Moneybarn to require Mr M to transport the car so far away for inspection. It follows that I don't think Mr M acted unreasonably by arranging for the car to be inspected and repaired locally to him.

I've considered the problems which Mr M experienced with the car. The coolant leak was the most serious, but he also had problems with the radio, and the exhaust and the brakes. Mr M accepts that he didn't tell Moneybarn about the exhaust and the brakes, so I don't think it would be fair to expect Moneybarn to cover the costs of repairs to those items.

There's no conclusive evidence to indicate what caused the coolant leak. Mr M suggested that it was a faulty plastic unit. But there's no engineering evidence to confirm this. Moneybarn say that the fact that the car had covered 4000 miles before the fault was reported should be considered. I don't think this is excessive mileage and it doesn't mean that the fault wasn't inherent at the time of sale. It's likely that the coolant leaked over a period of time.

Moneybarn say that a coolant leak can occur from a number of perishable wear and tear items such as seals and hoses. I can't say what caused the leak because there's no evidence. But I'm satisfied, based on Mr M's testimony, that there was a coolant leak which required repair. And on the balance of probability, I think the fault which led to the leak was developing at the point of sale. This means that the car wasn't of satisfactory quality.

Taking all the circumstances of this complaint into account, I think that the fault which led to the coolant leak and the fault with the radio were present at the time of purchase. I can't safely conclude that the noisy wheel bearings were present at the time of purchase and I haven't seen any evidence that Mr M has had these fixed.

I don't agree with Moneybarn that Mr M has waived his right to pursue the dealership for the costs of repair because he arranged and paid for "unauthorised repairs". I don't think that Moneybarn left Mr M with any other realistic option but to arrange the repairs locally.

I think that Moneybarn should reimburse Mr M for the cost of repairs to the coolant system and the radio in the sum of £475.00.

my final decision

My final decision is that Moneybarn No 1 Limited must pay Mr M £495.00 for the costs he has paid for repairs.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 21 September 2017.

Emma Davy
ombudsman