

complaint

Miss J is unhappy with the service she's received from Moneybarn No. 1 Limited. She's had a number of problems with the vehicle she purchased.

background

Miss J entered into an agreement with Moneybarn in September 2016 for the purchase of a used car. She began to experience problems with the car after about a month. The dealer repaired the initial problem with the roof trim. But shortly afterwards the clutch and LCD screen needed replacing.

Miss J said the vehicle then broke down on a number of occasions. And she'd spent a lot of money tried to put things right. She believed the vehicle had been fitted with non-genuine parts but no one had been able to determine what the problem was. Miss J wants to cancel the agreement and return the vehicle. And she wants reimbursement of some of the funds she's spent on the car.

Moneybarn explained, in general terms, the Consumer Rights Act 2015 meant it would assist with defects identified within the first six months of the agreement. But it would require evidence to show the faults were present at the time of sale if any issues were identified after the initial six months.

It could see the dealer had fixed the problems with the roof, clutch and screen free of charge. And the vehicle had passed its MOT at the time of sale. But Moneybarn felt the evidence for the later problems didn't confirm they were present when the vehicle was purchased. Miss J hadn't raised her complaint until some 10 months into the agreement. And she'd asked for an early settlement figure because she didn't need the vehicle anymore. So it wouldn't cancel the agreement or reimburse any costs.

Our investigator looked into the matter. He considered Moneybarn's comments that the issues were only raised some 10 months after the agreement had started. And there was no evidence the faults were present at the time of sale. He didn't think the problem were likely to have been caused by wear and tear. Miss J had done less than 3000 miles since purchase.

Although it couldn't be confirmed when the non-genuine parts had been fitted, he felt it was likely they were present at the point of sale. So the vehicle wasn't of satisfactory quality when it was sold. He felt Miss J should be able to cancel her agreement and return the vehicle. And he felt Moneybarn should reimburse the deposit for the vehicle and refund 30% of the premiums due to the loss of use and loss of enjoyment. Moneybarn should also remove any negative information from her credit file, including the original entry.

Moneybarn didn't agree. It said it wasn't uncommon for vehicles to be fitted with non-genuine parts. And there wasn't any evidence these parts made the vehicle unsatisfactory at the point of sale. So Moneybarn has asked for an ombudsman's final decision.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I've reached the same conclusion as our investigator.

There have been a number of problems with the vehicle since it was purchased. And both parties have presented evidence and arguments about the likely reasons. So I've considered what's most likely to have happened. And what should be done to put things right.

There were a number of faults which were identified within a few weeks of Miss J receiving the vehicle. And these were fixed by the dealer without any additional cost. But other faults developed more than six months after the agreement. So I've looked whether the faults were already present or developing at the time of sale.

The evidence has identified some non-genuine parts had been fitted to the car. Although this is not unusual in older cars it has caused problems for the specialists who have tried to investigate and fix the problems. And I think it's likely the parts were fitted when Miss J purchased the car. There's nothing to suggest they've been fitted afterwards.

Miss J has incurred some expenses which would be reasonably due to wear and tear. So I don't think Moneybarn should be held responsible for those costs. And I realise the vehicle passed its MOT at the point of sale. But I think it's likely there were inherent problems with the vehicle when it was purchased. It's not uncommon for vehicles to pass an MOT but then develop a fault afterwards.

Based on everything I've seen, I feel the vehicle wasn't of satisfactory quality when the agreement was signed. So Miss J should be able to cancel the agreement and return the vehicle at no further cost.

Our investigator felt Moneybarn should reimburse Miss J for the deposit of the vehicle. And refund 30% of the premiums that she's already paid. And I think that's a fair and reasonable compensation for the loss of use and loss of enjoyment she's experienced. She's been paying for a vehicle she hasn't been able to use. In the circumstances I agree Moneybarn should also remove any negative information reported on Miss J's credit file, including the original entry.

my final decision

My final decision is that Moneybarn No. 1 Limited should

- Cancel the agreement with Miss J.
- Accept the return of the vehicle at no further cost to Miss J.
- Refund 30% of the premiums paid by Miss J.
- Remove any negative information recorded on Miss J's credit file.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss J to accept or reject my decision before 26 February 2018.

Andrew Mason
ombudsman