

complaint

Mr G complains about problems with a car which he purchased with finance from Moneybarn Limited.

background

Mr G purchased a car in January 2017 and entered into a conditional sale agreement with Moneybarn.

In February 2017 Mr G contacted Moneybarn and reported issues with the turbo and the diesel particulate filter. Moneybarn arranged for repairs to be carried out. It also waived repayments until the repairs had been completed.

The investigator upheld the complaint. He found that the car wasn't of satisfactory quality at the time of purchase and recommend that Moneybarn unwind the agreement and pay compensation of £300 to Mr G.

Mr G wasn't happy with the investigators recommendation. He said that he had been unable to work as a salesman during the period that he was without the car and he wants compensation for his loss of earnings.

my findings

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

The only issue which remains outstanding in this complaint is Mr G's request for compensation for lost earnings. This comes to approximately £5000 over a 5 month period.

Moneybarn say that Mr G should have mitigated his loss by making alternative transport arrangements. I've taken into account the nature of Mr G's work and I agree with Mr G that it wouldn't be feasible for him to rely on public transport. However, I think that Mr G should have mitigated his loss by hiring or borrowing a car.

Mr G says that by the time he realised that he was going to be without the use of his car for several months, his financial position had deteriorated to the point that it wasn't possible for him to hire a car. It's not clear at what point Mr G realised that he would be without his car for several months. But I think that it's reasonable to expect him to have made alternative arrangements fairly quickly, given the nature of his employment and the fact that a car was essential for him to work.

I've taken into account the fact that Mr G didn't have to make repayments to Moneybarn whilst his car was being repaired. So he would've had money available which he could have put towards hiring a car.

On balance, I think that Mr G should have mitigated his loss and it's not fair to expect Moneybarn to reimburse him for his loss of earnings when he took no steps to arrange alternative transport for a 5 month period.

For the reasons given above, I agree with the investigators recommendations.

my final decision

My final decision is that Moneybarn Limited must do the following (if it hasn't already):

- Collect vehicle at no cost to Mr G.
- Unwind the agreement and waive any amount outstanding, with nothing further to pay.
- Refund the deposit plus simple interest at 8% per annum, from the date deposit paid to the date of settlement.
- Amend Mr G's credit file to ensure no negative information is recorded in relation to this agreement.
- Pay £300 to Mr G for the trouble and upset caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 9 October 2017.

Emma Davy
ombudsman