

complaint

Mr H complains that a car that was supplied to him under a conditional sale agreement with Moneybarn No. 1 Limited was not of satisfactory quality.

background

A car was supplied to Mr H under a conditional sale agreement with Moneybarn in August 2013. The car was approximately three years old and had driven about 30,000 miles. Within a few days, Mr H was concerned about a number of faults with the car, including excessive black smoke in the exhaust. The car was returned to a garage which discovered further faults, including brakes that were not of the standard required for an MOT. Those faults were repaired but a garage then discovered further faults with the car. The car was inspected by an independent expert which listed a number of faults with the car which it concluded would have been present when the car was supplied to Mr H. Mr H stopped making the payments due under the credit agreement and asked Moneybarn to accept the return of the car and the cancellation of the agreement. He was not satisfied with Moneybarn's response so complained to this service.

The adjudicator recommended that this complaint should be upheld. She concluded that the car was not of satisfactory quality when it was supplied to Mr H. She recommended that: the contract should be rescinded; any payments should be refunded to Mr H with interest; Moneybarn should pay £350 compensation to Mr H; and it should remove any adverse information recorded on his credit file.

Moneybarn says, in summary, that the car is not unfit for purpose or of unsatisfactory quality, that Mr H has driven it for 3,500 miles in five months and that Mr H has not made the payments to it required by the credit agreement.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

The evidence clearly shows that there are many faults with the car, some of which I consider to be substantial.

An independent expert has concluded that at least some of those faults were present in August 2013 when the car was supplied to Mr H. The car has been returned to a garage for repairs but many faults continue to be present with the car. I understand that the car has been returned to Moneybarn. I consider that there is enough evidence to show that the car was not of satisfactory quality when it was supplied to Mr H, particularly given the car's age and mileage. Despite the efforts to repair the car and despite the fact that Mr H has driven the car for 3,500 miles in five months, I consider that the appropriate remedy is for the agreement to be cancelled and for any payments made by Mr H under the agreement to be refunded to him. I also consider that Moneybarn should pay £350 to Mr H to compensate him for the various costs that he has incurred in dealing with the car's faults and that it should remove any adverse information that it has recorded on Mr H's credit file. I consider that to be fair and reasonable in the circumstances of this complaint.

my final decision

For these reasons, my decision is that I uphold Mr H's complaint. In full and final settlement of it, I order Moneybarn No. 1 Limited to:

1. Cancel the conditional sale agreement at no cost to Mr H.
2. Refund to Mr H any payments that he has made to it under that agreement.
3. Pay interest on those amounts at an annual rate of 8% simple from the date of payment to the date of settlement.
4. Pay £350 compensation to Mr H.
5. Remove any adverse information that it has recorded on Mr H's credit file relating to the conditional sale agreement.

If Moneybarn deducts tax from the interest element of my award, it should send Mr H a tax deduction certificate when making payment. He can then use that certificate to reclaim the tax if he is entitled to do so.

Jarrold Hastings
ombudsman