

complaint

Mr G complains about issues he's experienced with a car purchased with finance from Moneybarn No.1 Limited.

background

In April 2018 Mr G was supplied with a used car and entered into a conditional sale agreement with Moneybarn.

Mr G says that within 3 days the car lost power and the engine management light and service light illuminated. He contacted the supplying dealer and asked for the service history. The supplying dealer advised Mr G to take the car to a local garage to have it repaired under warranty.

Mr G wasn't happy to use the garage suggested by the supplying dealer because it was the same garage which was meant to have serviced the car the day before the point of supply. He also found out that the repairs weren't covered by the warranty.

In July 2018 Mr G complained to Moneybarn about the issues he was experiencing with the car. Moneybarn contacted the supplying dealer who said it was aware of the issues and that it had advised Mr G to take the car to one of its recommended garages to have it repaired.

Moneybarn arranged for an independent inspection of the car. The report concluded that the car had a fault which was likely to have been present at the point of supply.

Moneybarn sent the report to the supplying dealer, who replied and said Mr G should take the car to its recommended garage so that repairs could be carried out.

Mr G didn't take the car to the garage. He told Moneybarn he had lost faith in both the supplying dealer and its recommended garage. He subsequently arranged for the car to be repaired at a third party garage. He wants his repair costs reimbursed.

Our investigator upheld the complaint. She said the supplying dealer should have been given the opportunity to repair the fault but that despite this it was reasonable for Mr G to use a third party garage because of the breakdown in the relationship with the supplying dealer. The investigator said that the evidence suggested that the car wasn't of satisfactory quality at the point of supply and recommended that Mr G's repair costs were refunded.

Moneybarn didn't agree. It said it was willing to contribute 50% of the repair costs as a goodwill gesture but said that under the relevant legislation the dealership should have been allowed the opportunity to repair the car.

my findings

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

Because Moneybarn has supplied the car under a conditional sale agreement there's an implied term that it has to be of satisfactory quality. Cars are of satisfactory quality if they are of a standard that a reasonable person would expect, taking into account all of the relevant circumstances such as (amongst other things) the age and mileage of the car and the price paid. I would expect a second hand car to have a degree of wear and tear. So in

order to uphold the complaint I would need to be satisfied that the car wasn't of satisfactory quality at the point of supply due to an inherent defect rather than general wear and tear.

An engineers report can help in deciding whether a fault was present at the point of supply. In this case, an inspection was carried out by an independent engineer who concluded that the car had a fault at the point of supply.

Under the Consumer Rights Act 2015, where a fault presents itself within the first 6 months, its generally up to the business to put things right. The business is allowed one opportunity to repair the fault. If the repair isn't successful the customer can reject the car.

In this case, the business asked Mr G to take the car to one of its approved garages for repair. Mr G wasn't willing to do this for a number of reasons, including:

- He had lost faith in the supplying dealership and its approved repairer
- He was unable to get the car to the garage suggested by the dealer as he had been advised not to drive it
- He wasn't prepared to arrange transportation at his own expense

In response to the latter, Moneybarn offered to arrange collection of the car. But Mr G still wasn't happy to use the approved repairer.

I've thought about whether it was reasonable for Mr G to have the car repaired by a third party garage. Looking at the issues Mr G had experienced, including the illumination of the service light on a car which was meant to have been serviced by the approved repairer, I understand why he was reluctant to take the car to the same garage for repairs. I also accept Mr G's testimony that his relationship with the supplying dealer had broken down due to (amongst other things) the delay in providing the service history, the doubt over whether a service had been carried out, the incorrect recording of the mileage and the fact that the car had been supplied with faults.

Taking all of these points into consideration, and even though Moneybarn offered to arrange transportation of the car, I think it was reasonable for Mr G to be reluctant to have the car repaired at this particular garage.

So whilst I agree that the relevant legislation says that the business should be allowed one opportunity to repair the fault, I think that in the circumstances the business could have done more to take account of Mr G's concerns about this particular garage which was being suggested by the supplying dealer. Moneybarn could have suggested alternative garages to Mr G. I can't see that this happened.

Because of this, I don't think it was unreasonable for Mr G to arrange for repairs to be carried out at a third party garage. There's no evidence that the third party garage carried out repairs which went beyond the repairs necessary to fix the fault. Nor is there any evidence to suggest that the costs charged by the third party garage are excessive.

Taking all of the circumstances into account I'm of the view that Moneybarn should reimburse Mr G for his repair costs.

my final decision

My final decision is that I uphold the complaint. Moneybarn No.1 Limited should:

- Reimburse Mr G's repair costs of £682.25
- Pay simple interest at 8% per year from the date of payment to the date of settlement
- Pay £100 compensation to Mr G for trouble and upset

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 16 September 2019.

Emma Davy
ombudsman