

The complaint

Mr M complains about a used car he acquired through a conditional sale agreement with Moneybarn No. 1 Limited. The car has suffered a significant fault that requires a replacement engine and Mr M is unhappy as Moneybarn will not assist with the cost of the repairs.

What happened

In March 2021 Mr M acquired a used car using a conditional sale agreement he took out with Moneybarn. The car was approaching four and half years old, had travelled in excess of 59,000 miles and cost £13,000. Mr M has referred to experiencing some initial issues with the car but around December 2022 the car developed a more serious issue, which was later diagnosed as a problem with the timing chain. The car has been unusable since and requires a replacement engine to resolve the issue.

Mr M complained to Moneybarn and as he was unhappy with its response, he contacted our service. The complaint was considered by one of our investigators and they explained why they did not consider the complaint should be upheld. In summary, they were not persuaded there was sufficient evidence to demonstrate the car was not of satisfactory quality when it was supplied to Mr M.

Mr M was understandably unhappy with this conclusion and believes it is reasonable to expect the car to last the duration of the finance agreement without experiencing significant issues. He believes he has provided sufficient evidence that demonstrates Moneybarn should be liable in this instance.

As the complaint could not be resolved informally it has been referred to me as the last stage in our process.

What I've decided – and why

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

I'll start by outlining that I don't intend on commenting on everything that occurred, or every complaint point, concern, or issue the parties have raised. Instead, I'll focus on what I think is important in reaching a decision which is fair and reasonable in all the circumstances. I don't mean this as a discourtesy to either party, instead it reflects the informal nature of this service and my role within it.

But I'd like to reassure both parties that I've considered all the information they've provided when reaching my decision. All parties appear to accept the car is defective and something needs to be done to put things right. The car has now experienced a significant problem with the engine timing chain (or perhaps timing chain tensioner) and this has resulted in the car now needing a replacement engine.

Mr M acquired the car through a conditional sale agreement with Moneybarn and as the

supplier of the car, Moneybarn is responsible for the quality of the car. Where the car is found to not be of satisfactory quality, Moneybarn can be held liable for that. The Consumer Rights Act 2015 (CRA) is relevant legislation when considering the quality of goods and services. This essentially says that the car should be of satisfactory quality at the time it's supplied to Mr M.

Satisfactory quality is what a 'reasonable person' would expect, considering amongst other things the age and price of the car. Section 9 of the CRA refers to satisfactory quality and notes that the quality of goods includes their state and condition. It goes on to list the following aspects, amongst others, of the quality of goods, (a) fitness for all the purposes for which goods of that kind are usually supplied; (b) appearance and finish; (c) freedom from minor defects; (d) safety; (e) durability.

Mr M acquired a used car in March 2021 which cost £13,000. It was approaching four and half years old and had travelled in excess of 59,000 miles when Mr M got it. When considering a car of this age and mileage it would in my view not be unreasonable to expect it to be showing signs of wear and tear and not be in the same 'as new' condition that it would have been in when first manufactured. This will be in relation to the mechanical components and its cosmetic appearance. The price Mr M paid for the car was considerably cheaper than the cost of the car new, and this is to take into account the general condition, mileage and wear and tear the car had experienced since first being manufactured.

Mr M had the car for around 21 months and I understand had travelled well over 20,000 miles before the significant problem with the timing chain materialised. The timing chain is a key internal component within the engine and had the timing chain been broken when the car was supplied, I consider it unlikely Mr M would have been able to use the car for as long as he did before experiencing a problem.

However, as referred to above, one element of satisfactory quality under the CRA relates to durability and that ultimately means that goods should last a reasonable amount of time. Exactly what is a reasonable amount of time will depend upon a number of factors but of significant relevance here in my view are the fault and the mileage the car has travelled. As already referred to above, the fault here is a significant problem within the engine and the engine is obviously a key part of the car. Unlike a car's timing belt, the timing chain is not considered to be a serviceable item and the timing chain is not usually intended to be changed. General expectations are that the timing chain should last the lifetime of the car.

Exactly what the lifetime of the car equates to in years and miles is not clearly defined. It will also depend on other factors such as the way the car has been used and the way it has been serviced. I again accept the timing chain is a key component within the car's engine and I can understand why Mr M is unhappy with its failure. But the car has in this instance travelled approaching 90,000 miles now. This is not an insignificant amount of mileage and does not in my view demonstrate that the timing chain, along with its associated components, was not sufficiently durable. As I have found the timing chain was durable, this means that I have also found the car was of satisfactory quality when supplied. And Moneybarn is not therefore responsible for the failure or resulting repair costs.

I have noted what Mr M has presented from other parties that refer to Moneybarn being liable in this case. But my conclusions are based upon the evidence and submissions presented to our service in this case and I cannot comment on the conclusions other parties may have reached. Similarly, Mr M has referred to forums where others have experienced similar issues, but this does not however demonstrate there is a fundamental problem with every car that has this engine, or more specifically that there was an underlying problem with his car.

Finally, Mr M has also referred to experiencing some less significant problems with the car before the timing belt issue. But even if Moneybarn was found to be responsible for these issues, it would not however make Moneybarn responsible for the repair of the timing chain issues Mr M faces. Mr M would still be in the position he is in now and need to arrange for the repairs to the engine.

My final decision

I fully appreciate my decision here will come as further disappointment to Mr M and I understand the difficult position he is now in, facing significant repair costs. I do not however consider there is sufficient evidence in this case to find Moneybarn liable for the costs of repairing the engine because of the timing chain problem.

My final decision is that I do not uphold Mr M's complaint against Moneybarn No. 1 Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 11 April 2024.

Mark Hollands
Ombudsman