

## **The complaint**

Miss M complains about a car she acquired with finance provided by Moneybarn No. 1 Limited.

## **What happened**

In March 2023, Miss M entered into a regulated conditional sale agreement with Moneybarn in relation to a six year old used car. The car had a cash price of £29,449, and its mileage was 50,950 miles.

Almost at once, Miss M reported that there was a light appearing on her dashboard indicating a fault with the gearbox. She said that sometimes the car would fail to accelerate properly, or the engine would cut out altogether, and she found she had to turn the engine off and back on again to fix the problem. She also found that the brake disc was corroded and worn, and there were scratches all over the bodywork. She became dissatisfied with the vehicle, and she complained about it to the dealership and to Moneybarn.

Moneybarn did not uphold Miss M's complaint. It told her that the dealership had repaired the gearbox fault with a software update in April 2023. (It did not address the brake discs and bodywork.) Miss M then brought this complaint to our service. She said that the software update had not in fact solved the problem. She provided a photo of the dashboard warning light showing at 51,074 miles.

At first, our investigator upheld this complaint. He accepted Miss M's evidence, and said that in the absence of an independent report about the condition of the car, it was likely that the car still had an undiagnosed fault, and that this fault had been present at the point of sale.

However, an independent inspection of the car was later arranged, and was carried out in September 2023. The result was that no fault could be found. Based on that new evidence, our investigator concluded that he could not longer uphold this complaint after all.

Miss M asked for an ombudsman to review this case.

## **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.

Having done so, I do not uphold it. I will explain why.

I have seen evidence that Miss M did report a problem with the car at an early stage. The dealership offered in writing to let her reject the car and take her old car back (she had got it in part exchange), and to refund her. It actually urged her to do that quickly, as her first monthly payment was coming up. So it appears that the dealership was willing to let her exercise her short-term right to reject the car (which has to be exercised within 30 days). However, Miss M did not do that, and so the short-term right to reject expired.

(I've noted that there were some later messages in which Miss M asked for her old car back

and the dealership refused, but that seems to have been after the short-term right to reject had expired.)

After that, the software update was carried out, and there is a dispute about whether or not this solved the problem. Because the car has now been inspected by an independent expert (at 56,168 miles), who was unable to find any fault with it, I think that Moneybarn has satisfied the burden of proving that the car is now of satisfactory quality (even if that was not the case at the point of sale). It follows that Miss M no longer has the right to reject the car based on the gearbox issue.

I have read the expert's report. It says that the brake pads and discs were in good condition, and appeared to be of recent origin. So I think they must have been replaced, either at the same time as the software update, or before the car passed its MoT with no advisories in December 2022 (only three months before Miss M acquired it). Whenever that happened, they are now of satisfactory quality.

I think that some scratches on the bodywork of a six year old car are to be expected. I don't think that is evidence that the car was of unsatisfactory quality at the point of sale, considering its age.

### **My final decision**

My decision is that I do not uphold this complaint.

(I have not considered Miss M's complaints about the settlement of her previous finance agreement, or about the payment of tax, as these issues are to be dealt with separately and not as part of this case.)

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 27 February 2024. But apart from that, this final decision brings our involvement in this case to an end.

Richard Wood  
**Ombudsman**