

The complaint

Mr S has complained that he is unhappy with the quality of a car he acquired in August 2023, using a conditional sale agreement with Moneybarn No. 1 Limited (“Moneybarn”).

What happened

Mr S acquired an Audi in August 2023, using a conditional sale agreement with Moneybarn. The car cost £9,990, of which Mr S borrowed £9,416 over 46 months, with monthly repayments of £282.38. The car was just over 11 years old at the time and the mileage stated on the agreement was 73,000.

Mr S experienced issues with the car not long after he acquired it. He has provided a detailed timeline, but in summary, the tyre was flat as it hadn’t been sealed to the alloys properly, there was a noise from the steering wheel and then a water leak

Repairs have been carried out – some of these were covered by the dealership or under the warranty, but Mr S paid for some himself. He has since had further issues with the car – a knocking noise from the steering and a rattling noise from the gearbox,

Mr S complained to Moneybarn about all this. Moneybarn said that, as the necessary repairs had been carried out, it considered the matter resolved. Mr S was not happy with this, so he brought his complaint to this service. After this, Moneybarn arranged an independent inspection of the car. The independent inspector concluded that, although there were some faults with the car, they were not present or developing at the point of supply.

Our investigator looked into Mr S’s complaint, but didn’t think it should be upheld. Mr S didn’t agree and asked for it to be reviewed by an ombudsman.

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’ve decided not to uphold Mr S’s complaint. I’ll explain why.

Because Moneybarn supplied the car under a conditional sale agreement, it’s responsible for a complaint about the quality, and there’s an implied term that the car was 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. When considering satisfactory quality, I also need to look at whether the car is durable – that is, the components within the car must be durable and last a reasonable amount of time.

In this case, of course, the car was just over 11 years old at the time and the mileage stated on the agreement was 73,000 when Mr S acquired it. And the price was lower than that of a new car. So it’s reasonable to expect that parts of the car would have suffered wear and

tear, and that a car of this age would likely need repair and maintenance sooner than a newer car.

I've taken account of the relevant law, in particular the Consumer Rights Act 2015, ("CRA"). There are certain times, set out in the CRA, when a consumer is entitled to reject goods, in this case the car, if they don't conform to contract – a short term right to reject within 30 days of taking delivery, or a final right to reject if a repair or replacement hasn't resulted in the car subsequently conforming – that is, it then being of satisfactory quality.

Moneybarn sent in copies of the finance agreement, the dealership invoice, and its records of its contact with Mr S, along with the car's MOT history. Mr S sent in copies of the reports and invoices for the various repairs on the car.

The independent inspection report was carried out on 25 March 2024, and the mileage was noted as 77,718. The items of concerns were listed as "*Steering / steering column. Rattling/knocking noise under the vehicle. Gearbox. Electric water pump. Water leak. OSF calliper. OSF wheel nut. Brake fluid.*" The first three of these were the outstanding issues at the time, the others having been rectified by this point.

The report goes on to confirm faults were found on the diagnostics test, and also confirms the knocking noise from the steering and a rattling noise from the bell housing (gearbox) area.

However, the report concludes that "*We can confirm that the faults presented at the time of our inspection would not have been present at the point of sale*" and "*There was no evidence of a previous unsuccessful repair.*" It also notes that the car was in a condition commensurate to its age and mileage.

I appreciate that Mr S has had a number of issues with the car, and is unhappy with it. But I have to give most weight to the inspection report, as the engineer is independent of both parties. So while it's clear that there were faults at the time of the inspection, I don't have enough evidence to say that they were present or developing at the point of supply.

I accept that some issues arose shortly after Mr S acquired the car, but repairs have been completed – some under warranty or by the dealer. And the engineer didn't find evidence that any of the previous repairs had failed. The car was around 11 years old when Mr S acquired it, and had a mileage of 73,000 (and Mr S had travelled another 4,700 miles by the time of the inspection). So it's reasonable to expect some components to be nearing the end of their useful life due to normal wear and tear.

I understand that Mr S feels strongly about this, but overall, it seems most likely that the problems with the car arose from reasonable wear and tear. So from the evidence I have, I can't fairly say the car wasn't of satisfactory quality at the point of supply, and therefore I can't fairly require Moneybarn to do more than it has. So I've decided not to uphold this complaint.

My final decision

For the reasons given above, I have decided not to uphold Mr S's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 20 December 2024.

Jan Ferrari

Ombudsman