

The complaint

Mr L complains about a car supplied to him under a conditional sale agreement taken out with Moneybarn No.1 Limited trading as Moneybarn (Moneybarn).

What happened

In September 2023, Mr L acquired a used car by entering into a conditional sale agreement with Moneybarn. The car had 98,698 miles and the cash price was £7,295. Mr L paid a deposit of £465. The regular monthly repayment was £247.75 and the duration of the agreement was 60 months. The total amount payable under the agreement was £15,082.25.

Mr L first reported a problem with the car to Moneybarn in December 2023 which was within the first few months of collecting it. He said there were issues with the car losing power and smoke coming out of the exhaust. He said there were warning lights showing on the dashboard. On 5 January 2024 Mr L took the car for a diagnostic test and a list of fault codes were provided. Mr L made a complaint to Moneybarn that the car supplied wasn't of satisfactory quality.

The dealership investigated the issues raised by Mr L and had the car looked at by its garage. An estimate for necessary work was provided on 8 February 2024. The items included diagnostics, service, diesel particulate filter (DPF) flush and removal/refit of the AdBlue tank and removing/refill and cleaning of AdBlue components. The total estimate for the work was around £954. The dealership explained it would not be assisting further because it said the issues had been caused by Mr L not maintaining the vehicle by keeping the AdBlue topped up.

Moneybarn issued a final response to the complaint on 12 March 2024. It paid Mr L £50 to acknowledge the length of time it had taken to respond to the complaint. However, it said the issues were due to poor maintenance and there was evidence of this provided by the dealership. Therefore, it said it was unable to uphold the complaint. Mr L remained unhappy and asked our service to investigate.

Our Investigator considered things and, although they identified some issues with the vehicle, felt this was down to the maintenance of the vehicle and didn't mean the car was of unsatisfactory quality at the point of sale. They said the problems identified weren't unusual for a car with that age and mileage and two of the issues had arisen due to how the car had been maintained by Mr L.

Mr L didn't agree. In summary, he said even though the car was old it should have been covered under the warranty and this is what he was sold. He said he was told the car had a full service so didn't expect he needed to top up the AdBlue within a few months. He expected the AdBlue to be topped up as part of the service. He says he feels as though he has been scammed into purchasing a faulty car.

Therefore, the case has been passed to me to decide.

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.

Where the information I've got is incomplete, unclear, or contradictory, I have to base my decision on the balance of probabilities and what I think is more likely to have happened based on the evidence I have seen.

In considering what is fair and reasonable, I need to have regard to the relevant law and regulations, regulators' rules, guidance and standards, codes of practice and (where appropriate) what I consider to have been good industry practice at the relevant time.

The finance agreement in this case is a regulated consumer credit agreement. As such, this service is able to consider complaints relating to it. Moneybarn is also the supplier of goods under this type of agreement, and responsible for a complaint about their quality.

The Consumer Rights Act 2015 (CRA) is of particular relevance to this complaint. It says that under a contract to supply goods, there is an implied term that "the quality of goods is satisfactory".

The CRA says the quality of goods is satisfactory if they meet the standard that a reasonable person would consider satisfactory taking into account any description of the goods, the price and all the other relevant circumstances. So, it seems likely that in a case involving a car, the other relevant circumstances a court would take into account might include things like the age and mileage at the time of sale and the vehicle's history.

The CRA says the quality of the goods includes their general state and condition and other things like their fitness for purpose, appearance and finish, freedom from minor defects, safety and durability can be aspects of the quality of goods.

My starting point is Moneybarn supplied Mr L with a used car which had done 98,698 miles and was around seven years old. As this was a used car with considerable mileage and age, it's reasonable to expect parts may already have suffered substantial wear and tear when compared to a new car or one that is less travelled. This means there is a greater risk this car might need repair or maintenance sooner than a car which isn't as road-worn.

Mr L has provided his testimony about the issues he experienced with the car. This primarily included smoke coming from the engine, loss of power and warning lights. He has provided pictures of the warning lights from 5 January 2024 which indicated he needed to check the engine, have the vehicle repaired and there was a risk of particle filter blockage. The service light was also showing.

Mr L has provided a diagnostic report which has a list of fault codes. This type of report can reveal issues or developing issues with the engine but often needs a mechanic to review and decide the underlying cause. Amongst other intermittent and present faults, there were permanent fault codes which included: the particulate filter – detected to be clogged; fault in communication on CAN with engine ECU – value received incorrect; and event not recorded. The last fault was recorded against the engine wiring house, controls under steering wheel, and parking assist.

I've also reviewed the information on the estimate dated 8 February 2024 which was provided following the diagnostic report. The following work was quoted for: service; DPF flush and remove/refit exhaust gas temperature (EGT) sensor; remove/refit AdBlue tank and

remove, refill and clean the AdBlue system. The parts quoted for included oil and air filters. The estimate confirmed there was a failure of the AdBlue system and a DPF issue.

Having considered all of the evidence, I'm satisfied the car experienced the following problems:

- Failure of the AdBlue system;
- Clogged DPF; and
- EGT sensor – cleaning required.

I'd also note the diagnostic report includes fault codes which indicated there might be an issue with the electrics of the vehicle, although in the absence of evidence it's unclear what the root cause of this is beyond what has been identified on the estimate.

Whilst I have identified there is a problem with the car, this isn't enough to uphold the complaint. I also need to consider if these problems meant the car was of unsatisfactory quality when it was supplied to Mr L.

Having considered the evidence I do have, I'm not persuaded the problems with the car in relation to the DPF and the AdBlue system were present or developing at the point of supply. This is because Mr L had the vehicle for two to three months before reporting an issue. Whilst he says he experienced issues earlier than this, I would expect problems to be raised promptly in the circumstances and can see no reason why there would be delay.

I've also thought about the nature of the issues identified. The estimate dated 8 February 2024 indicated there had been negligence of the AdBlue not being topped up and this led to the overall failure of the AdBlue system and DPF issue. The estimate reports the car's mileage at 102,169 which was 3,471 miles more than when Mr L acquired the vehicle. I don't have sufficient evidence to be able to say these issues were present and/or developing at the point of sale.

I have considered what Mr L has said about the dealership providing a service prior to him purchasing the vehicle. Importantly, I haven't seen any evidence the car was serviced or that he was told it had been. Mr L has said the service light came on and has provided a picture from January 2024. But this isn't sufficient to show a service hadn't been carried out properly where it was agreed. For example, the service light can also come on when minor faults are detected.

In respect of the AdBlue being topped up through a service, I have reviewed the manufacturer's handbook and can see the AdBlue tank for this car is larger than explained by our Investigator and I would expect the car to be able to do more miles on this basis. However, there are many things which can affect AdBlue usage including driving conditions and driving style. Regardless of whether a service was carried out, Mr L needed to ensure he maintained the vehicle by keeping the AdBlue topped up.

It also seems the EGT sensor needed cleaning or replacing. There are no parts quoted on the estimate for the sensor, and the estimate does refer to cleaning components. So, it seems likely this part needed to be cleaned and was part of the problems caused by failure to top up the AdBlue. In any event, it's not unusual for this part to need cleaning (or replacing) particularly when a car has travelled in excess of 100,000 miles and it might even be necessary sooner than this if it is exposed to certain conditions like high temperatures. In the circumstances, I don't think this meant the car was of unsatisfactory quality.

Having considered everything, I have not seen anything which would lead me to conclude this car was of unsatisfactory quality. The evidence I have suggests the issues with the car were down to maintenance of the vehicle. I recognise there are other issues pointed to by Mr L in the diagnostic report. Having reviewed the fault codes and the evidence I have, I don't consider there to be anything unusual for a car of this age and mileage which has been subject to wear and tear.

In conclusion, I accept Mr L is experiencing problems with this car. However, the evidence doesn't satisfy me the problems with the DPF and AdBlue were likely to be present or developing at the point of sale and this car was of unsatisfactory quality when Mr L acquired it. And I'm satisfied the other issues highlighted, including the EGT sensor, aren't unusual for a car of this age and mileage. So, I'm satisfied the car was of satisfactory quality at the point of supply.

Other

I have already discussed Mr L's concerns that he was told the car had a service when he was sold it. As explained, I haven't seen evidence which shows this was the case and, in any event, Mr L had the car in his possession some months before reporting an issue to the lender and he needed to ensure the car was maintained by topping up the AdBlue during this time. So, this doesn't convince me the car was of unsatisfactory quality.

Mr L has also said he thought he would be able to have the car fixed under the warranty, but it was rejected. I have not received any evidence about the terms of the warranty, and it is not referred to in the terms of the agreement or on the invoice from the dealership. I would note there is a line on the system note which refers to the dealers' warranty being sent to Moneybarn. Based on what Mr L has told this service, I'm satisfied his complaint here is about the repairs not being covered by the warranty. This is not a complaint I am able to consider against Moneybarn as it is not the provider of the warranty. In the circumstances, he would need to make a separate complaint to the business who provided the warranty.

Moneybarn has already accepted its final response to Mr L's complaint took longer than it should have done. It paid Mr L £50 to recognise this. I'm satisfied this is fair and reasonable in all the circumstances and I won't be asking Moneybarn to do anything further to resolve the complaint.

Summary

I appreciate my decision will be considerably disappointing for Mr L. However, taking everything into account, I'm satisfied the car was of satisfactory quality at supply. The faults identified seem likely to have been because of wear and tear not unusual for a car with this age and mileage, as well as general maintenance of a diesel car. Therefore, I won't be asking Moneybarn to cover the costs of the repairs identified in the estimate or allow Mr L to reject the car.

My final decision

For the reasons outlined above, I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 14 January 2025.

Laura Dean
Ombudsman

