

The complaint

Mr G is unhappy with a car he got using a conditional sale agreement from Moneybarn No.1 Limited.

What happened

Mr G acquired a used car from Moneybarn in January 2024 for £13,498. The car was around seven years old and had been driven for 34,000 miles.

On 26 February 2024 Mr G contacted Moneybarn saying he wanted to reject the car because the backseat didn't fold down. He said he used the car for work, and it was important he was able to collapse the seats down completely. Moneybarn told him to talk to the dealership about the problems he was having.

The dealership said that because the issue wasn't mechanical, they wouldn't allow Mr G to reject the car. They also said he couldn't prove the problem was there at the point of sale.

On 6 March 2024 Mr G again called the dealership and said he would like to reject the car as it had broken down. The breakdown report said that it had 'cut out' and wouldn't start.

Mr G didn't feel like he was receiving any help from the dealership or Moneybarn about why his car broke down. So, on 26 March 2024 he paid for a diagnostic report to be carried out. This report didn't find anything wrong. However, a couple of months later, it was found that incorrect fault codes were preventing the engine from working properly.

On 9 May 2024, Mr G took the car in for repairs to fix the issues with the engine. Moneybarn reimbursed him the cost for this. Mr G has said the car has been running fine since but he has lost faith in it.

Unhappy that he couldn't reject the car, Mr G brought the complaint to our service. One of our investigators looked into the case. She said that she didn't think that a seat not folding down meant the car was of unsatisfactory quality. She said this because she thought it was reasonable, considering the car's age, to expect some wear and tear.

While she didn't think Moneybarn were unreasonable in declining the rejection request, she did think they needed to do more. She asked them to repair the backseat car clip and reimburse Mr G for the inspection he paid for. She said they should pay for the cost of his taxi trips when his car was in for the engine repair. And she also thought Moneybarn should pay £100 for the distress and inconvenience caused.

Moneybarn agreed with the investigator's findings, but Mr G didn't and asked for an Ombudsman to review his complaint.

In the meantime, Mr G attempted to get the backseat repaired. His repairer told him the parts needed are currently on back order so it can't be completed straight away.

He also told us that there was a clanging sound coming from the right-hand side of the vehicle. Our investigator told him that as this was a new issue, he should approach

Moneybarn about it before we can get involved.

Mr G and Moneybarn are also in conversations about the payments which have been made towards his agreement. As this isn't the subject of this complaint, I won't comment on it further.

After reviewing everything, I've come to similar conclusions to the investigator for similar reasons. I'll explain more below.

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.

Mr G acquired the car using a conditional sale agreement and so The Consumer Rights Act 2015 (CRA) is the relevant legislation for this complaint. The Act sets out expectations and requirements around the quality of goods supplied. In summary, goods should be of satisfactory quality. Satisfactory quality is essentially based upon what a reasonable person would consider to be satisfactory. In instances like this when considering the quality of a car, the age, mileage and price are some of the things that I think would be considered to be reasonable to take into account.

The CRA gives consumers 30 days to reject the goods if they are deemed to be faulty when supplied. If the purchased goods are found to be defective after 30 days but within six months, then the supplier must be given one opportunity to repair or replace the goods.

There have been several issues with Mr G's car so I will address each matter separately.

The backseat

Mr G reported problems with the backseat not folding down properly on 26 February 2024, 27 days after acquiring the car.

I've firstly considered whether this would constitute as the car not being of 'satisfactory' quality as set out in the CRA. In doing so, I've taken into account that the car was seven years old when it was sold. And so, I would expect a reasonable person to expect some wear and tear in accordance with its age.

So, I don't think the backseat not folding down completely would be an issue which deems the car to be of unsatisfactory quality. However, I think that as the issue presented so soon after the car was acquired, the problem should be repaired at no charge to Mr G. This is because I don't agree with the dealership that Mr G can't prove the problem was present at the point of sale. The CRA sets out that the onus is on the dealership to prove the issue didn't exist when the car was sold, and they haven't done this.

Because of this, I think Moneybarn should pay for the cost of Mr G completing the repairs to the backseat. He has provided a quote of £514.25 for this.

The engine cutting out

Mr G's car engine cut out on 6 March 2024. It was booked in for a repair on 9 May 2024. The repairer issued a report confirming the problems were most likely due to historic error codes and that the issues have now been fixed.

This fault occurred after the first 30 days that Mr G acquired his car, so, under the CRA, a

repair needed to be attempted before a rejection could be considered.

Mr G's car was taken to a garage and the problems with his engine were fixed. Moneybarn covered the costs for this, so I think they met their obligations under the CRA.

After his engine cutting out, Mr G paid for a diagnostic report to try and find out what was wrong with the car. Although the report didn't identify the cause of the issues, I think Moneybarn should refund this cost. I say this because it was eventually found there was a problem with the engine codes which meant the engine cut out. And the report was paid for as part of Mr G trying to identify what was wrong.

Mr G also incurred costs on a taxi travelling to pick up his car when it was in for repair. I consider this cost a consequential loss of the engine repair and so Moneybarn should reimburse this.

Moneybarn should also add 8% simple interest to the amount Mr G paid for the diagnostic report and the taxi. This should be calculated from the date Mr G made each payment to the date of settlement of this complaint. This is because he has been without these funds since he made these payments.

I also think Mr G has experienced distress and inconvenience in trying to sort out the concerns he had with the car. He has had to arrange reports and repairs to his vehicle. The part to replace the backseat is also currently on back order which means Mr G has to wait for the repair. And so, I think it's fair that Moneybarn pay him £100 to reflect the distress and inconvenience which has been caused.

Sound coming from the right-hand side of the car

Mr G has advised there is a sound coming from the right-hand side of the car. I can't see that Moneybarn has been sent any evidence of this problem. As this is an issue which occurred after Moneybarn sent their final response letter, Mr G should approach them for comment on this first. And so, I make no finding on this issue in this decision.

Putting things right

For these reasons, I require Moneybarn No.1 Limited to:

1. Pay £514.25 for the repair of the backseat clip once Mr G provides them with evidence the work has been completed.
2. Reimburse Mr G for the cost of the diagnostic report of £49.99.
3. Reimburse Mr G for the costs he incurred when travelling to pick up his car of £29.95.
4. Pay Mr G £100 for the distress and inconvenience which has been caused.
5. Add interest at a rate of 8% a year simple to parts two and three of this settlement from the dates they were paid, to the date of settlement of this complaint.*

*Moneybarn must pay these amounts within 28 days of the date on which we tell them Mr G accepts my final decision. If they pay later than this, they must also pay interest on the settlement amount from the date of final decision to the date of payment at 8% a year simple.

If Moneybarn deducts tax from any interest they pay to Mr G, they should provide Mr G with a tax deduction certificate if he asks for one, so he can reclaim the tax from the tax authorities if appropriate.

My final decision

My final decision is that I uphold this complaint and require Moneybarn No.1 Limited to put things right as set above.

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

Ami Bains
Ombudsman