

The complaint

Miss C complains that a car acquired under a conditional sale agreement with Moneybarn No.1 Limited trading as Moneybarn wasn't of satisfactory quality when it was supplied to her.

What happened

In April 2023, Miss C acquired a used car from a dealership. She made an advance payment for the car, with the balance being provided by Moneybarn under a conditional sale agreement. The car was ten years old and had covered approximately 100,000 miles when the agreement started. The agreement was for 60 months, and the cash price of the car was £5,995.

In September 2023 Miss C contacted Moneybarn. She explained that she had noticed an issue with the brakes on the car and, in August, had had the brake pads and discs replaced, along with the handbrake shoe. She had covered approximately 5,000 miles in the car at this point. She had used her local garage to undertake the repairs, at a cost of £538.11. Miss C wanted Moneybarn to reimburse her for the repairs.

Moneybarn responded to Miss C and didn't uphold her request. They said they were satisfied the components that needed replacing were as a result of wear and tear. They also said that, because Miss C had used her own garage to repair the car, Moneybarn hadn't been given the opportunity to establish liability or inspect the car with the faults to try and establish if the issues were present when Miss C acquired the car.

Unhappy with this, Miss C brought her complaint to our service. Our investigator didn't uphold it. She said she thought the issues had arisen as a result of wear and tear. She didn't think it was fair to ask Moneybarn to reimburse Miss C for the repair costs.

Miss C didn't agree. She felt she had shown the car wasn't of satisfactory quality.

As Miss C hasn't agreed, it's 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.

When considering what is fair and reasonable, I'm required to take into account: relevant law and regulations, relevant regulatory rules, guidance and standards and codes of practice.

As the conditional sale agreement entered by Miss C is a regulated consumer credit agreement this service is able to consider complaints relating to it. Moneybarn are also the supplier of the goods under this type of agreement and are responsible for a complaint about their quality.

The Consumer Rights Act 2015 (CRA) covers agreements like the one Miss C entered. Because Moneybarn supplied the car under a conditional sale agreement, there's an implied term that it is of satisfactory quality at the point of supply. Cars are of satisfactory quality if they are of a standard that a reasonable person would find acceptable, taking into account factors such as – amongst other things – the age and mileage of the car and the price paid.

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

But, on the other hand, satisfactory quality also covers durability. For cars, this means the components must last a reasonable amount of time. Of course, durability will depend on various factors. In Miss C's case, the car was used and had covered approximately 100,000 miles when she acquired it. So, I'd have different expectations of it compared to a brand-new car. Having said that, the car's condition should have met the standard a reasonable person would consider satisfactory, given its age, mileage, and price.

Our investigator has explained that she's satisfied the car was of satisfactory quality when it was supplied to Miss C. I agree in this case. There is no doubt the car has needed some repair to some of the components – Miss C has provided an invoice to confirm that. But I'm not persuaded, from what I've seen, that I can conclude the car was faulty when it was supplied to Miss C. I'll explain why.

As mentioned previously, the car Miss C acquired was ten years old and had covered approximately 100,000 miles when it was supplied to her. It's fair to say the car was far from new. This means that the standard a reasonable person might expect from it would be lower than for a car that had covered fewer miles. Acquiring a used car carries some inherent risks, not least of which is that sooner or later items, or components of the car, will need repair or replacement.

The car had passed an MOT just prior to Miss C being supplied with it. It was roadworthy. I know Miss C has questioned the validity of the MOT, but she hasn't provided any evidence to suggest why she thinks it might have been altered or not carried out correctly. So, I have no reason to doubt the validity of it. And while passing the MOT in itself isn't enough to determine satisfactory quality or not, the components that have needed replacing are considered wear and tear components. There are many reasons why brake pads and discs and the handbrake shoe might need replacing. Their durability is dictated by a number of things, including (but not limited to) driving style and the type of journeys the car is generally used for.

Miss C had the car for four months and had covered approximately 5,000 miles when the brake pads and discs and the handbrake shoe needed replacing. As previously stated, I'm satisfied that a reasonable person would expect to have to repair or replace some wear and tear components on a used car sooner than they would on a newer one. In Miss C's case it seems the requirement to replace the brake pads and discs and the handbrake shoe has come sooner than she was expecting, but I'm not persuaded that means the car wasn't of satisfactory quality when it was supplied to her. I'm more persuaded than not that the replacement of the brake pads and discs and the handbrake shoe has needed doing as a result of wear and tear. Because of that, I don't think it's reasonable to ask Moneybarn to reimburse Miss C for the replacement brakes and handbrake shoe she's paid for.

The CRA does explain that where goods are found not to have conformed to the contract within the first six months, it is presumed the goods did not conform to the contract at the point of supply. Unless the supplier, Moneybarn in this case, can prove otherwise. Miss C explained the repairs she'd had done to Moneybarn after five months of having been

supplied with the car. So, at that point, it's possible that Miss C could have proven the car wasn't conforming to the contract she'd entered at the point of supply. But Miss C never allowed Moneybarn the opportunity to prove otherwise. Ordinarily, Moneybarn could have asked the supplying dealer to take a look at the issues Miss C had raised with the brake pads and discs, or they could have arranged for an independent inspection of the car to take place, to help determine when the faults may have arisen and establish liability. But by having the car repaired before notifying Moneybarn of her concerns, Miss C has deprived them of the opportunity to have the car inspected with the faults present. Because of that, I think Moneybarn have acted fairly when rejecting Miss C's complaint and explaining they couldn't do anything to help.

I know this decision will come as a disappointment to Miss C, as she's had to pay for repairs to the car sooner than she anticipated. But I've explained above why I don't hold Moneybarn responsible for that. I won't be asking them to do anything further here.

My final decision

For the reasons above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 23 October 2024.

Kevin Parmenter
Ombudsman