

The complaint

Mr A complains that MotoNovo Finance Limited failed to help have a faulty car repaired.

What happened

In August 2019, Mr A acquired a second-hand car costing £15,601 funded by a deposit of £10,000 and the balance with hire purchase finance. It was five years old and had done 69,974 miles.

Mr A identified a number of faults which were repaired by the dealer under warranty. These were a broken clip, interior lights not working and worn brake discs, but these have been repaired. There were two further issues which haven't been resolved, a faulty rear parking sensor and excessive play in offside wheel.

Mr A reported the sensor fault one day after taking delivery of the car, but there were delays in addressing it. He complained and I see that the car was taken in to the dealer in October. The invoice records these problems, and notes a new sensor was required and the steering wheel was shaking at high speed. Mr A had only had the car a short time and he had driven it some 1,000 miles.

When Mr A complained to MotoNovo in February 2020 it commissioned an independent report. The inspector noted: *We would consider after 3571 miles of additional use there is no engineering evidence to indicate the faults were present at sale. It's very likely the faults have developed in the last 500 – 1000 miles electrical defects tend to be sudden without warning.* MotoNovo rejected Mr A's complaint and he brought the matter to this service.

Mr A's complaint was considered by one of our investigators who recommended it be upheld. She noted the independent report, but said Mr A had notified the dealer of the sensor fault the day after delivery and he had also supplied video footage showing the problem. This indicated there was a fault present the point of sale.

She added that when the car was inspected in March 2020 after the car had covered an additional 3,571 and the dealer had recorded the faulty sensors and issues with the steering. they looked to replacing the wheel bearing. The inspection report says that the 'front inner tie rod is causing excessive side to side lock'. The inspector didn't consider it safe to drive the car to test it further. The engineer who inspected the car didn't test drive it to confirm the effect of this, because it was unsafe to drive.

She thought it most likely the faults were present at the point of sale. As such she suggested MotoNovo cover the cost of repairs and pay Mr A compensation. It didn't agree and said checks by the dealer, the manufacturer and the engineer who inspected the car found no faults with the car's parking sensor. It also said that if the steering issue had been present at the point of sale it was unlikely Mr A would have been able to continue driving it.

Mr A provided details of a repair made by the dealer shortly after the sale to a rear light which was beside the parking sensor. He also asked about the delay in transferring the car into his name as registered keeper. It had taken the dealer until 26 February to notify DVLA.

Our investigator said that the inspector had noted the repair to the light and she remained persuaded that the sensor was suffering from an intermittent fault. She also pointed out that Mr A had reported the steering problem two months after he got the car.

As for the registration of the car she noted Mr A had been advised by DVLA not to drive it until it was transferred and she thought the proposal she had made in her previous opinion addressed that and the costs Mr A had incurred while being without the car.

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.

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

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

The relevant law says that under a contract to supply goods, there is an implied term that *"the quality of the goods is satisfactory"*.

The relevant law says that the quality of the goods is satisfactory if they meet the standard that a reasonable person would consider satisfactory taking into account any description of the goods, price and all 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 the mileage at the time of sale and the vehicle's history.

Under the relevant law 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 the goods.

The car was several years old and had a reasonable mileage when it was acquired by Mr A. It is to be expected here will be items of wear and tear. However, I agree with our investigator that two faults were most likely present at the point of sale.

I cannot see that Mr A would have invented the parking sensor problem the day after he took delivery and persisted with his complaint if it not been a problem. The video shows that to be the case. I suspect the paint near the sensor is linked to the problem. I appreciate the dealer and the inspector didn't find a fault, but I am satisfied it is intermittent and it does exist and so I consider it should be repaired at no cost to Mr A.

I believe it is acknowledged that there is a problem with the steering. This was first notified to the dealer some two months after the point of sale and it sought to fix it. It is clear this didn't succeed and I note the independent inspector didn't wish to drive the car as he deemed it unsafe. Given the dealer acknowledged the problem some two months after the point of sale I think it more likely than not it was present at the point of sale and it should be repaired.

As Mr A's claims for expenses I consider the refund of monthly payments will address this point fairly and I consider no further action is needed in regard to the delays in notifying DVLA as this has now been resolved.

Putting things right

As I consider the car to have been faulty at the point of sale I consider it right that the business cover the cost of repairing those faults.

My final decision

My final decision is that I uphold this complaint and I direct MotoNovo Finance Limited to:

- To arrange for the investigation of the parking sensors and cover the cost to repair the intermittent fault.
- Repair the issues with the offside wheel having excessive play so that the car is safe to drive.
- Refund the monthly payments from 12 February 2020 to the date Mr A had use of his car again.
- Pay £300 compensation for the trouble and upset caused

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 25 September 2020.

Ivor Graham
Ombudsman