

The complaint

Mr E complains that a car that was supplied to him under a hire purchase agreement with FirstRand Bank Limited, trading as MotoNovo Finance, wasn't of satisfactory quality and that the car has been repossessed.

What happened

The details of this complaint are well known to both parties and have been set out by the investigator - so I won't repeat them again here. Instead, I'll focus on giving the reasons for my decision.

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.

Having done so, I agree with the conclusions reached by the investigator for these reasons:

- a used car was supplied to Mr E under a hire purchase agreement with MotoNovo Finance that he electronically signed in May 2019;
- he complained to the dealer about some issues with the car and it provided him with a replacement gearbox for him to install - but there continued to be issues with the car and the car needed a new fly wheel so Mr E complained to MotoNovo Finance in June 2019;
- MotoNovo, as the supplier of the car, was responsible for ensuring that it was of satisfactory quality when it was supplied to Mr E - whether or not it was of satisfactory quality at that time will depend on a number of factors, including the age and mileage of the car and the price that was paid for it;
- the car that was supplied to Mr E was more than five years old, had been driven for 62,000 miles and had a price of £8,190;
- satisfactory quality also covers durability which means that the components within the car must be durable and last a reasonable amount of time – but exactly how long that time is will also depend on a number of factors;
- MotoNovo Finance upheld Mr E's complaint and paid him £478.44 to reimburse him for the cost of the required parts and paid him £50 for the distress and inconvenience that he'd been caused – it agreed the Mr E could repair the car and said that the dealer had provided evidence to show that the car was sold with a full service history;
- it also said in August 2019 that, if Mr E could provide receipts for the costs that he's incurred when he was without the car, it would consider reimbursement of those costs;
- I consider that MotoNovo Finance's response to his complaint was fair and reasonable in the circumstances but I've seen no evidence to show that Mr E provided it with any further receipts or any evidence to show that there were further

issues with the car – and its system notes show that he said that he was cancelling his direct debit and wouldn't be making the monthly payments under the agreement;

- there were further discussions about the complaint between August and October 2019 but Mr E made no payment for the car after August 2019 and MotoNovo Finance had explained the consequences of non-payment to him;
- MotoNovo Finance terminated the agreement, the car was repossessed from Mr E in January 2020 (and it says that the car's engine was partially dismantled with many component parts missing and that many parts of the interior trim were missing – but Mr E says that they were in the car's boot) – the car was then sold at auction and the proceeds of sale were applied to Mr E's account, leaving an outstanding balance of £8,009.78;
- I sympathise with Mr E for the issues that he's had with the car – and with the financial and other difficulties that he's described – but he stopped making the payments that were required under the agreement, I consider that he was made aware of the consequences of that and I'm not persuaded that there's enough evidence to show that MotoNovo Finance acted incorrectly when it terminated the agreement and repossessed the car;
- the issues that Mr E had with the car didn't entitle him not to make the required monthly payments under the agreement and MotoNovo Finance had reimbursed him for the cost of some parts and had paid him £50 compensation;
- he accepted that compensation for the issues with the gearbox and MotoNovo Finance agreed that he could repair the car, but he says that he then found further issues with the car – I'm not persuaded that there's enough evidence to show that those issues were present when the car was supplied to him or that he had the right to reject the car because of any of those issues – and because the car was then repossessed and sold no further investigation of those issues is possible;
- the car has been sold so can't be returned to Mr E and I'm not persuaded that it would be fair or reasonable in these circumstances for me to require MotoNovo Finance to reimburse him for any further costs, to pay him any other compensation, to reduce (or waive) the outstanding balance of his account, or to take any other action in response to his complaint; and
- I suggest that Mr E contacts MotoNovo Finance to try to agree and affordable repayment arrangement for him to repay the outstanding balance of his account – MotoNovo Finance is required to respond to any financial difficulties that he's experiencing positively and sympathetically.

My final decision

My decision is that I don't uphold Mr E's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 23 March 2021.

Jarrold Hastings
Ombudsman