

## **The complaint**

Mr S complains about the quality of a car he has been financing through an agreement with MotoNovo Finance Limited (“MotoNovo”).

## **What happened**

The details of this complaint are well known to both parties, so I won’t repeat them again here. Instead I’ll focus on giving my 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.

I know it will disappoint MotoNovo, but I agree with the investigator’s opinion. Please let me explain why.

Where the information I’ve got is incomplete, unclear, or contradictory, as some of it is here I have to base my decision on the balance of probabilities.

I’ve read and considered the whole file, but I’ll concentrate my comments on what I think is relevant. If I don’t comment on any specific point it’s not because I’ve failed to take it on board and think about it but because I don’t think I need to comment on it in order to reach what I think is the right outcome.

Mr S acquired his car under a regulated consumer credit agreement and as a result our service is able to look into complaints about it.

The relevant law says, amongst other things, that the car should have been of satisfactory quality when supplied. If it wasn’t then MotoNovo, who are also the supplier of the car, are responsible. The relevant law also 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.

In a case like this which involves a car the other relevant circumstances would include things like the age and mileage at the time the car was supplied to Mr S. The car here was about eight years old and had already completed about 44,000 miles. So, I think a reasonable person would expect a degree of wear and tear to be present.

That relevant legislation also says that when we consider whether goods have been of satisfactory quality we also need to consider whether they’ve been durable. And here, I don’t think they have.

Online research suggests a timing chain should last at least 80,000 miles. The mechanic who serviced Mr S’s car in July 2021 agreed. It was his view that the timing chain was showing signs of failing at the time of the service and that the timing chain had failed prematurely.

Mr S has shown evidence that the service was completed in July 2021 when the car's mileage was 53,500. So, there's evidence Mr S maintained the car within the manufacturer's guidance.

I'm persuaded that Mr S didn't contribute to the failure by not caring for the car and that the timing chain therefore failed prematurely. I don't think this car has been of satisfactory quality.

### **Putting things right**

I've considered whether to tell MotoNovo to repair the car or whether, in the circumstances, rejection is warranted.

Mr S has been without the car since October 2021. I think, on balance, it is likely that he told the dealership about the knocking noise only a few months after taking receipt of the car and that the knocking noise was likely to be the first sign of the belt failing. I say that because the mechanic that completed the service in June 2021 said there was a knocking noise that was related to the timing chain, and because I think there would have been audible indication of failure before the chain failed.

So, I think Mr S has been waiting too long for the car to be repaired and I think the business had the opportunity to repair the car when Mr S first reported the issue to them, after only a few months of driving.

In those circumstances I think MotoNovo should now allow Mr S to reject the car and end his finance agreement with them.

They'll need to refund any deposit that was paid, and they should add interest to that refund as Mr S will have been deprived of the money.

It's clear Mr S has been inconvenienced by these issues. He's had to take his car to the dealership for repair and I think it's clear he's had to put up with a noisy engine for some time. He's also had to escalate his complaint to this service when I think MotoNovo could have resolved matters earlier for him. In the circumstances, I think MotoNovo should pay Mr S £250 to reflect the distress and inconvenience caused.

Mr S stopped using the car in October 2021 and it's not fair for him to pay for a car he hasn't been using. So, MotoNovo should refund any finance instalments he's paid since 1 October 2021 and they should add interest to that refund as Mr S has been deprived of the money.

I'm not persuaded that MotoNovo need to refund any of the other finance instalments that have been paid. It's only fair that Mr S pays for the use he had from the car and the mileage records show he had a reasonable use of the car before October 2021.

### **My final decision**

For the reasons I've given above I uphold this complaint and tell MotoNovo Finance Limited to:

- End the finance agreement and collect the car at no cost to Mr S.

- Refund any deposit that has been paid and add 8% simple interest per year from the date of payment to the date of settlement.
- Refund any finance instalments Mr S has paid since 1 October 2021 in respect of lack of use and add 8% simple interest per year from the date of payment to the date of settlement.
- Pay Mr S £250 to compensate him for the distress and inconvenience he's experienced.
- Remove any adverse information they may have reported to Mr S's credit file in relation to this issue.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 1 April 2022.

Phillip McMahon  
**Ombudsman**