

The complaint

Miss T complains about the quality of a car she has been financing through an agreement with MotoNovo Finance Limited ("MotoNovo").

What happened

I issued my provisional decision on this complaint earlier this month. An extract from that provisional decision is set out below.

Miss T took receipt of a used ten-year-old car in October 2021. She financed the deal through a hire purchase agreement with MotoNovo.

A week later the car broke down on the motorway. Miss T contacted MotoNovo and she says she told them she wanted to return the car to them.

But MotoNovo say there's no evidence of Miss T making that request. The dealership fixed the car at no cost to Miss T and MotoNovo say that they've therefore done enough to put things right for Miss T.

Our investigator didn't think they had. She thought there was evidence Miss T had asked to reject the vehicle and she suggested MotoNovo should now allow her to do so and refund her deposit.

MotoNovo didn't agree. They insisted there was no evidence of a request to reject the car and they asked for a final decision by an ombudsman.

What I've provisionally 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 agree with the investigator that there is evidence Miss T asked to reject this car but I don't think the investigator considered the distress and inconvenience Miss T had experienced, and I think there is evidence Miss T was without the car for a period. So, I'm expecting to ask MotoNovo to compensate Miss T for those issues as well.

There's no dispute here about whether the car was of acceptable quality. MotoNovo upheld that complaint in their final response. So, I'll not reconsider that matter.

What is in dispute is whether the car should have been rejected or whether a repair was sufficient.

Miss T had a short term right to reject the car within the first 30 days if there was something wrong with it. She didn't have to allow the business an opportunity to repair it but if she did grant them that opportunity she couldn't change her mind later.

Miss T didn't have to put that request in writing. I'm persuaded she did ask the business to

allow her to reject the car because I've listened to the call she had with them on 27 October 2021 when she explained she wanted to hand the vehicle back. The business' final response also explained that Miss T had wanted to reject the vehicle and their system notes say that Miss T had asked them to allow her to reject the car on 27 October 2021.

Putting things right

I agree with the investigator that MotoNovo should now allow Miss T to reject the car. They'll also need to refund any deposit Miss T has paid and they should add interest to that refund as Miss T has been deprived of the money.

Miss T has also explained that she didn't have the car for about a month whilst it was being repaired. The business' notes show the car broke down on 27 October and Miss T has provided insurance information to show she cancelled the insurance and reinstated it on 24 November 2021 when she got the car back. I'm persuaded Miss T was therefore likely to have been without the car for that period. It's not fair for her to have been paying for a car she couldn't drive so MotoNovo should provide a pro-rata refund of her finance instalments for the period 27 October 2021 to 24 November 2021. They'll need to add interest to that refund.

Miss T wasn't able to provide a job sheet for the work completed to the car. She's explained she asked for this on numerous occasions. She said she was therefore concerned about the provenance of the turbo that had been fitted to the car and that she decided to get a safety check completed by an approved dealership. I can understand Miss T's concerns, and, in the circumstances, I can also understand she would have wanted to get some reassurance the repairs completed were satisfactory. I think MotoNovo should therefore refund the cost Miss T incurred for the safety check.

Miss T has clearly been inconvenienced by these issues. She's explained she wasn't able to use the car for work and a courtesy car wasn't provided. She's also had to escalate her complaint to this service when I think it could have been resolved earlier by MotoNovo. In those circumstances, I think MotoNovo should pay Miss T £200 in compensation.

My provisional decision

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

- *End the finance agreement and collect the car at no cost to Miss T.*
- *Refund any deposit adding 8% simple interest per year from the date of payment to the date of settlement.*
- *Provide a pro-rata refund of finance instalments for the period 27 October 2021 to 24 November 2021. Add 8% simple interest per year from the date of payment to the date of settlement.*
- *Pay Miss T £200 to compensate her for the distress and inconvenience caused.*
- *Refund the cost of the safety check on provision of the receipt from Miss T. Add 8% simple interest per year from the date of payment to the date of settlement.*
- *Remove any adverse reports they may have made to Miss T's credit file in relation to this issue.*

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 said I'd look at any additional comments MotoNovo or Miss T provided but MotoNovo didn't respond to my provisional decision and Miss T accepted it so. So, I've not had any additional information to consider.

Putting things right

I've not been provided with any additional information to consider so my provisional decision remains unaltered Your text herenow becomes my final decision on this complaint.

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 Miss T.
- Refund any deposit adding 8% simple interest per year from the date of payment to the date of settlement.
- Provide a pro-rata refund of finance instalments for the period 27 October 2021 to 24 November 2021. Add 8% simple interest per year from the date of payment to the date of settlement.
- Pay Miss T £200 to compensate her for the distress and inconvenience caused.
- Refund the cost of the safety check on provision of the receipt from Miss T. Add 8% simple interest per year from the date of payment to the date of settlement.
- Remove any adverse reports they may have made to Miss T's credit file in relation to this issue.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms T to accept or reject my decision before 19 April 2022.

Phillip McMahon
Ombudsman