

The complaint

Mr S complains that a car he took under a hire purchase agreement with MotoNovo Finance Limited was not of satisfactory quality.

What happened

In June 2021 Mr S took a car on a five-year hire purchase agreement from MotoNovo. It was a little over two years old and had covered 4,265 miles. Its cash price was £31,315.

In August 2021 Mr S noticed an engine light on the dashboard. The engine oil was changed, which appeared to resolve that problem. Mr S says he then noticed a noise coming from the front of the car when turning right. He was told by his own garage that it appeared the car had been involved in an accident. There were problems with the tracking, and the tyres were excessively worn. Mr S later arranged for the tyres to be replaced.

Mr S complained to MotoNovo, which arranged for an independent inspection to be carried out. The inspection took place in September 2021. It said, in summary:

- At the time of the inspection, the car's mileage had increased to 11,925 miles.
- The bonnet was misaligned and showing signs of having been removed in the past.
- The tyres were excessively worn and there appeared to be a tracking issue.
- The front impact beam had no indication of any impact marks.
- The faults identified in the report would not have been present at the time the finance was taken out.

Relying to a large extent on the inspection report (and in particular on the conclusion in the final bullet point above), MotoNovo did not think it had any responsibility for the faults. Mr S did not agree and referred the matter to this service, where one of our investigators considered what had happened. He thought however that there was evidence that the car had been involved in an accident before it was supplied to Mr S. It was not therefore of satisfactory quality and MotoNovo should meet the costs of repair. He invited Mr S to obtain estimates for the repairs needed.

MotoNovo did not accept the investigator's view and asked that an ombudsman review the case.

I did that and issued a provisional decision. I did so because, although I was minded to reach the same overall conclusions as the investigator, my reasons were a little different.

I noted that the inspection had identified misaligned body panels, although it not identify any accident damage. It expressly said that there was no evidence of unsatisfactory repairs. I did not think that the car had been in accident since Mr S had taken delivery of it.

The inspection report did not, in my view, explain the conclusion that the problems with the car had not been present at delivery. Tyres and tracking are generally wear and tear items,

but I thought the degree of wear and tear in this case was very much greater than might be expected for a car of this age and mileage.

I noted that Mr S had provided copy invoices in respect of the tracking and a set of replacement tyres. They totalled £546. I said that I was minded to require MotoNovo to reimburse that, with interest, and to cover the costs of realigning the body panels; if Mr S or MotoNovo provided me with an estimate for that work, I would make an award in simple monetary terms.

Mr S provided an estimate for the panel realignment of £1,127. He also said that he had replaced a further six tyres in seven months, including two within about six weeks, and sent a further invoice for wheel alignment.

The investigator sought MotoNovo's comments on the further estimates and invoices. It did not make any further comments.

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 remain of the view that the car was not of satisfactory quality when Mr S took delivery of it. On balance, it appears that the wheels were misaligned – causing excessive wear to the tyres – and that body panels also needed realignment.

Since I issued my provisional decision, Mr S has provided further invoices for tyres and tracking. He has also said that the car's current odometer reading is around 28,000 miles. That means that he has covered some 24,000 miles in less than a year – well above average for the UK and more than the 20,000 miles a year he indicated in the hire purchase agreement that he expected to cover. I do not believe that I can properly require MotoNovo to cover those costs as well as the costs of the first set of replacement tyres and tracking. Since the car's tracking had already been checked and rectified and one set of new tyres fitted, I cannot safely conclude that this further work was needed because the car was not of satisfactory quality at delivery.

The quote for fixing body panels was provided by a workshop approved by the car's manufacturer. I have no reason to think therefore that it does not represent the true cost of the work needed. MotoNovo has not challenged it. It is fair in my view that MotoNovo should pay Mr S the costs of the work needed.

My final decision

For these reasons, my final decision is that, to resolve Mr S's complaint in full, MotoNovo Finance Limited should:

- pay him £546 to cover the cost of the initial set of replacement tyres and wheel alignment, together with interest at 8% a year from the date of payment to the date of reimbursement;
- pay him £1,127 to cover the cost of realignment of body panels; and
- pay him a further £250 in recognition of the inconvenience to which he has been put.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 12 May 2022.

Mike Ingram
Ombudsman