

## **The complaint**

Mrs D complains that a car acquired with finance from MotoNovo Finance Limited wasn't of satisfactory quality.

## **What happened**

In March 2020 Mrs D was supplied with a car and entered into a hire purchase agreement with MotoNovo. Soon after getting the car Mrs D experienced issues with overheating. The car was returned to the dealership for repairs, but the issues continued. Mrs D reported the issue to MotoNovo in July 2020. Following this, the car was returned to the dealer and further repairs were carried out in August 2020.

In September 2020 an independent report confirmed that the car was performing as expected. However, In October 2020 the car overheated again, and a local garage advised Mrs D that the head gasket needed to be replaced. The car was returned to the supplying dealer who said it couldn't find a fault with the head gasket but replaced the pressure cap.

In November 2020 the car was independently inspected. The report stated that the head gasket had failed and that the fault was likely to have been present or developing at the point of supply. The car was returned to the garage in December 2020 for repairs to the head gasket. The repairs weren't completed until March 2021.

In November 2021 Mrs D experienced smoke coming from the engine. A recovery company who attended diagnosed a blown head gasket.

MotoNovo arranged another inspection in November 2021. This diagnosed a breach in the head gasket due to wear and tear of the cylinder bolts. The engineer said the fault wouldn't have been present at the point of supply.

I issued a provisional decision in which I upheld the complaint. In my decision, I said that I was satisfied that there was a fault with the head gasket. I considered whether the repairs carried out in March 2021 had been successful and concluded that they had not. I said that I didn't think a reasonable person would expect a part which had been repaired to fail again after only 8 months. I said that, given that the car had been diagnosed with a failed head gasket in November 2021, I thought it was more likely that the repairs to the head gasket hadn't been successful. I said that Mrs D should be allowed to reject the car.

I invited both parties to let me have any further evidence or arguments they wished to make.

Mrs D replied and said she agreed with my provisional decision. She said she was unaware of what repairs had been carried out to the car in March 2021 and expressed concern that these repairs had been carried out by the supplying dealer, in whom she had lost confidence due to the ongoing problems with the car.

MotoNovo replied and said it hadn't seen any evidence to suggest that it was responsible for the current head gasket failure.

## **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've taken into account the further comments of both parties. Having done so, my decision hasn't changed. I still think that the repairs to the head gasket which were carried out in March 2021 weren't successful, because the head gasket failed again only 8 months later. Looking at the history of the car, I think it's likely that there has been an inherent fault with the head gasket since the point of supply which hasn't been successfully repaired.

## **Putting things right**

To put things right, MotoNovo should allow Mrs D to reject the car.

Mrs D hasn't been able to use the car since 21 November 2021 because of the fault with the head gasket. I think Mrs D acted reasonably by not using the car. I don't think it's fair to expect Mrs D to make payments for a car she's unable to use, so MotoNovo should refund all monthly payments made since 21 November 2021.

Mrs D has provided evidence to show that she's paid for a turbo to be replaced. This came about because the car was overheating and wasn't of satisfactory quality. I think it's fair to ask MotoNovo to refund these costs.

Mrs D has already had a payment for distress and inconvenience so I won't be asking MotoNovo to pay any further compensation.

## **My final decision**

My final decision is that I uphold the complaint. MotoNovo Finance Limited must:

End the agreement with nothing further to pay

Arrange for the car to be collected at no cost to Mrs D

Refund the deposit/part exchange contribution of £3000

Refund all monthly payments made since 21 November 2021

Refund the cost of repairs to the turbo £255

Pay 8% simple interest on all amounts refunded from the date of payment to the date of settlement

Remove any adverse information from Mrs D's credit file in relation to this agreement

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs D to accept or reject my decision before 29 July 2022.

Emma Davy  
**Ombudsman**