

The complaint

Mr H complains that a car he had acquired via a hire purchase agreement with MotoNovo Finance Limited wasn't of satisfactory quality.

What happened

In April 2020 Mr H entered into a 49-month hire purchase agreement which was in the form of a personal contract purchase for a new electric car. The monthly payments amounted to £445.93.

In February 2023 the car lost power and the dashboard displayed the warning "*vehicle control system fault*" with the message "*hv battery shut off*". Mr H had to call out a roadside assistance company for the car to be recovered and taken to a manufacturer approved dealership.

Mr H says that the dealership took time to identify the fault and he was without the car for around 3 weeks, having access to a courtesy car for only one week. Mr H says this caused him significant inconvenience as access to public transport was very limited in the area he lives.

Mr H complained to MotoNovo about the time it was taking to repair the car. MotoNovo said that as he had had the car in his possession for around nine months then he would need to provide an independent report setting out the fault with the car and that this had been developing or present its point of supply.

Mr H was contacted by the dealership to say that the car had been repaired and that it had suffered a wiring fault. Mr H collected the car but three days later the same fault re-occurred, and the car was again collected and returned to the repairing dealership.

Mr H complained to MotoNovo and said he had now lost confidence in the car and that he didn't consider it was fit for purpose. He said he now wanted to reject it and cancel the financial agreement.

MotoNovo didn't uphold his complaint. It again said that it required an independent report setting out the fault with the car. Mr H was unhappy at the response from MotoNovo and complained to this service.

During the investigation into Mr H's complaint by this service, the manufacturer, who had been consulted by the dealership about the problem with the car, diagnosed the fault. They told Mr H the repair wasn't one that would be covered by the warranty. They said the car had corrosion from water ingress around the charging plug due to missing grommets. Mr H says he was alarmed to discover that these parts weren't there.

Mr H also says this was the first electric car he had owned and on seeing what the grommets actually looked like, he was adamant that these parts hadn't been present when he had acquired the car.

Mr H decided to pay for the cost of the repairs so that the car could be fixed, as he was struggling not being able to use it. He said he was finding it difficult to pay for his travel costs and the monthly payments under the agreement. The car was repaired at the end of March 2023.

MotoNovo said there wasn't sufficient evidence to show the grommets had been missing as opposed to having been removed or lost by Mr H.

Our investigator upheld Mr H's complaint. She said she thought it was likely the grommets hadn't been present at the point of supply of the car to Mr H. She said the garage had informed her that the grommets are removed when the car is charged but are attached to the car by string. Our investigator said the grommets would be visible to Mr H whenever he charged the car.

Our investigator said that she thought in the circumstances it would be fair for MotoNovo to reimburse Mr H the £802.82 it had cost him to repair the car.

Mr H agreed with our investigator's view, but MotoNovo disagreed. It said given the length of time Mr H had had the car there wasn't enough evidence to show the grommets hadn't been there when he'd originally acquired it. It said a report would assist in establishing how long it had taken the corrosion to develop which would point to how long the grommets hadn't been in place.

As the parties were unable to reach an agreement the complaint was passed to me. I issued a provisional decision along the following lines.

Mr H had had the car for just over nine months when it first broke down. I'd seen that it had taken around two months to resolve what the fault was and repair the car. I understood that it was now fixed, and Mr H was able to use it.

The fault had been finally identified by the manufacturer as it didn't appear the dealership had picked up on the missing grommets when they had had the car after it first broke down. These missing parts had allowed water to ingress around the charging point leading to corrosion as grommets are designed to fit into the holes around the charging point and protect electrical parts from damage. I'd seen that these grommets had to be removed whenever the car was charged but were attached to the car by string or cord so that they were kept with the car. This appeared to be a similar system to many cars' petrol caps though the grommets were smaller in size.

Mr H said these grommets weren't there when he'd acquired the car and as this was his first electric car, he wasn't aware they were missing. MotoNovo said Mr H needs to provide evidence that would corroborate what he had said about these parts being missing from the point of supply in the form of an independent report about the condition of the car.

If the car had been supplied to Mr H with missing grommets, then I thought that, as this was a new car and expected to be fault free, the car wouldn't have been considered to be of satisfactory quality under the Consumer Rights Act 2015 at its point of supply to Mr H.

I thought Mr H was credible when he said he had never seen the grommets until he had been advised these were the missing parts which had led to the fault developing. I was also not convinced that an independent report would have been able to establish with any accuracy how long it would have taken the corrosion to develop as I thought it was reasonable to presume the amount of water ingress would depend on how often the car was exposed to wet conditions. I also didn't think it was likely that Mr H would have removed or lost the grommets in the time he had the car given that they would have been secured to it

and he would have had to physically remove them from the cord/string.

As I accepted Mr H's evidence then I thought it was more likely than not the grommets had been missing at the point of supply. However, although the car had a fault, I didn't think it would be fair for Mr H to now reject it even though there had been one failed repair. As the fault had now been fixed at Mr H's expense and the car had been returned to him, then I thought it would be fair for MotoNovo to reimburse Mr H the cost of those repairs. I'm therefore going to ask MotoNovo pay Mr H the amount of £802.82.

However, although I'd seen Mr H had agreed with the view of our investigator as to the reimbursement of the repair costs, I also thought Mr H should receive reimbursement for the period he was without a car. I was aware that for some of the time the car was at the garage awaiting diagnosis and repair he had been provided with a courtesy car, but this was not for the whole period. I therefore thought it would be fair for Mr H to be refunded one month's payment under the agreement in addition to the repair costs to reflect the time he couldn't use the car and had had to arrange and cover the cost of alternative travel. I'd seen that the time Mr H was without a car had caused him distress and inconvenience.

For the reasons given above, I intended to uphold Mr H's complaint. I asked MotoNovo to do the following:

- Reimburse Mr H the repair costs of £802.82 together with interest at the rate of 8% simple from the date of payment until the date of settlement.
- Pay Mr H the sum of £445.93 to reflect the period he was unable to use the car and the distress and inconvenience this caused him.

Both Mr H and MotoNovo have accepted my provisional view. There was one error in my proposed settlement in that the actual repair cost had VAT in addition to the £802.82 which Mr H has asked to also be reimbursed. He has supplied a copy of the repair invoice.

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.

Although neither party asked me to reconsider my provisional view as to the fault with the car and reimbursements (save the VAT element) I have still reviewed my conclusions against the evidence provided. And I haven't changed my view that the car was supplied with a fault (missing grommets) which led to water ingress and a further fault to develop which has now been repaired. I'm upholding Mr H's complaint.

I also still think it is fair that Mr H is reimbursed for the full cost of the repairs which would include the VAT element as well as one month's payment under the agreement.

Putting things right

I'm asking MotoNovo Finance Limited to do the following:

- Reimburse Mr H the repair costs of £802.82 plus £160.56 VAT making a total of £963.38 together with interest at the rate of 8% simple from the date of payment until the date of settlement.
- Pay Mr H the sum of £445.93 to reflect the period he was unable to use the car and the distress and inconvenience this caused him.

My final decision

For the reasons set out above, I'm upholding Mr H's complaint. I'm asking MotoNovo Finance Limited to do the following:

- Reimburse Mr H the repair costs of £802.82 plus £160.56 VAT making a total of £963.38 together with interest at the rate of 8% simple from the date of payment until the date of settlement.
- Pay Mr H the sum of £445.93 to reflect the period he was unable to use the car and the distress and inconvenience this caused him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 28 August 2023.

Jocelyn Griffith
Ombudsman