

The complaint

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

What happened

In August 2022 Ms M was supplied with a car and entered into a hire purchase agreement with MotoNovo.

In September 2022 Ms M noticed that the car was shuddering in first gear and there was a noise coming from the steering column. The supplying dealer booked the car in for repair in October 2022 and advised Ms M that it had made some adjustments to resolve the issue, but it didn't.

In December 2022 Ms M experienced issues with the stop/start function of the car. She was advised to replace the battery herself by the supplying dealer as the earliest available appointment they had was in January 2023.

In February 2023 Ms M experienced total loss of power with several warning lights illuminated, including the traction control light, the anti-collision light and the engine management light. The supplying dealer advised Ms M that parts had been ordered but wouldn't be delivered until March 2023. It advised Ms M that the car was safe to drive. Later that month the parts were replaced.

In March 2023 the start/stop issue reoccurred, and the supplying dealer advised Ms M to take the car to a main dealer to obtain a diagnostic. The diagnostic showed that the track rod needed to be replaced, the tyres were worn and the timing chain was loose. Repairs were carried out under warranty.

The car passed a MOT in July 2023, but Ms M continued to experience issues with the clutch, the engine management light and the car going into limp mode.

Ms M complained to MotoNovo. MotoNovo arranged for an independent inspection of the car. The inspection found an issue with the engine developing a loss of power, knocking and erratic idle speed but said that on the basis that the timing chain had recently been replaced, the car should be returned to the repairing garage. The report concluded that the car was of satisfactory quality at the point of supply.

MotoNovo didn't uphold the complaint. Ms M remained unhappy and brought her complaint to this service. She wants to reject the car.

Following the referral of her complaint, Ms M has had the car repaired again under warranty at a main dealer. She's confirmed that she hasn't experienced any more issues and said she's happy to keep the car now.

Our investigator upheld the complaint. They said that looking at all the issues which Ms M had experienced with the car since it was sold to her, they didn't think the car was of

satisfactory quality when it was supplied. The investigator said that although repairs had taken place and the car was now functioning as it should, there were costs which Ms M had incurred as result of the car not being of satisfactory quality which should be refunded. The investigator also said that MotoNovo should refund some of the rentals to reflect impaired use plus compensation for distress and inconvenience.

Ms M replied and said she thought that the figure for compensation for distress and inconvenience was insufficient. She said she'd been impacted by the issues with the car for over a year, which had caused her significant stress leading to her needing to take medication.

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.

The Consumer Rights Act 2015 is relevant to this complaint. This says that goods must be of satisfactory quality when supplied. Cars are of satisfactory quality if they are of a standard that a reasonable person would regard as acceptable, taking into account factors such as the age and mileage of the car and the price paid. The legislation says that the quality of the car includes its general condition, as well as things like fitness for purpose, appearance and finish, freedom from minor defects, safety and durability.

The car supplied to Ms M was around 8 years old and had covered around 42,000 miles. So its reasonable to expect that the car would already have a degree of wear and tear and that it was likely to require repairs sooner than, say, a brand new car.

I've reviewed the available information about the issues which Ms M experienced with the car. Based on what I've seen, I'm satisfied that the car had faults. I say this because the job sheets from the supplying dealer evidence faults with the wheels, the clutch, the cam sensor and fuel press sensor. The diagnostics from the main dealer evidence worn track rods and a broken timing chain. The independent inspection report evidences fault codes and loss of power to the engine.

I've gone on to consider whether the car was of satisfactory quality when it was supplied.

MotoNovo relies on the independent inspection report which concluded that the car was of satisfactory quality when supplied. I've reviewed the report and I can see that the engineer identified an issue with the engine losing power and recommended that the car was returned to the garage who had replaced the timing chain. The main dealer who had replaced the timing chain later confirmed that a hose had come loose. This was repaired and the car has functioned as it should since then.

I agree that the fault identified at the independent inspection wouldn't have been present or developing at the point of supply. However, Ms M experienced several other faults with the car before the timing chain issue, including juddering, start/stop function issues, loss of power and warning lights illuminating. There's no mention of these in the independent inspection report so I don't think the engineer considered these when commenting on the satisfactory quality of the car when it was supplied.

I've taken the age and mileage of the car into account and the price paid. Looking at the repairs which have been carried out on the car since Ms M purchased it, I don't think a reasonable person would expect to experience so many faults within the first few months of ownership. The faults occurred between August 2022 and February 2023, during which time Ms M only covered around 6,800 miles. I don't think it can be suggested that the faults

occurred due to excessive use. In the circumstances I don't think the car was of satisfactory quality when it was supplied.

Putting things right

All of the faults have been repaired and Ms M has confirmed that the car is functioning as it should.

However, I can see that Ms M has incurred some costs in connection with the car which haven't been refunded to her. I'm satisfied that she incurred these costs because the car wasn't of satisfactory quality. These costs should be refunded.

Ms M has been able to use the car but for large periods of time between August 2022 and August 2023 the faults with the car meant that her use was impaired due to the car shuddering, stopping and losing power. I think it's fair to ask MotoNovo to refund 10% of all monthly payments made by Ms M to reflect impaired use.

I can see that there were periods of time when Ms M was without use of the car because it was in the garage being repaired. This adds up to 15 days. Ms M wasn't provided with a courtesy car when her car was being repaired, so she was left with no means of transport. I don't think it's fair that Ms M should pay for the time she was without the use of the car so I'm asking MotoNovo to refund half of one monthly payment to reflect this.

It's clear that Ms M has suffered significant distress and inconvenience as a result of being supplied with a car which wasn't of satisfactory quality. I've taken account of everything that Ms M has said about the impact that the issues with the car had on her day to day life. I understand that the issues with the car have affected her health and I'm sorry to hear that.

I've had regard to this services approach to compensatory awards for distress and inconvenience. The award for impaired use partly reflects distress and inconvenience, as does the refund of one half of the monthly payment. And I've had regard to the impact generally on Ms M. Having considered all of that, I think that compensation of £250 is fair and reasonable.

My final decision

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

Refund 10% of monthly payments paid between August 2022 and August 2023 to reflect impaired use

Refund one half of a monthly rental payment to reflect the time Ms M was without use of the car

Refund £254.99 for additional costs and expenses

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

Pay £250 for distress and inconvenience

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M to accept or reject my decision before 12 February 2024.

Emma Davy
Ombudsman