

The complaint

Mr S complains that a car he acquired under a hire purchase agreement with MotoNovo Finance Limited ("MotoNovo") has developed multiple faults with the suspension and gearbox.

What happened

The background to the complaint is well known to all parties involved so I will not go into every detail, but in summary:

Mr S sourced a car from a dealership ("C") and was supplied with the vehicle by MotoNovo under a type of hire purchase agreement called a PCP agreement on 5 November 2022.

The car was three and a half years old at the point it was supplied to Mr S and had covered 35,410 miles. A price of £21,689 was agreed for the vehicle, and Mr S agreed to make monthly payments of £372.43 to MotoNovo, followed by a balloon payment of £8,471 after 49 months.

Within two weeks Mr S reported to C that he had experienced a knocking noise from the front of the car on both sides. He'd taken the car to be checked over and it was discovered that the drop-links had play in them. C agreed to pay for the drop-links to be replaced and for an oil top-up, and the necessary repairs were carried out in December 2022. At this point, the vehicle had covered a total of 37,864 miles. On 19 December 2022 Mr S reported to C that the repairs had been carried out and had transformed the way the car drove, but that he could hear a clunking when operating the brakes during low-speed manoeuvres. He said he was planning to have it looked into after Christmas.

Mr S says he was in dialogue with C from March 2023 and he was given assurances that everything would be covered under the warranty. He says he booked in the car for a full service and investigation at a main dealer, but had to cancel the investigation into the clunking noise due to lack of funds.

Later, in May 2023, Mr S communicated with C over the warranty and received copies of his warranty documents on 16 May 2023. There was a fair amount of back and forth between him, the warranty company and C but it appears no further work or diagnosis was carried out at this time.

Mr S involved MotoNovo in June 2023, opening a complaint about a knocking noise from the front wheels and an issue with the infotainment system. He says he was instructed not to have any work or diagnostics carried out on the car. There were delays in MotoNovo dealing with his case, and on 1 August 2023 the car failed its MOT at 50,493 miles due to an excessively worn pin or bush on the front offside suspension arm, and so it became urgent to carry out repairs.

Mr S contacted C and the warranty company, and they agreed to cover the replacement of both front suspension arms. This took place on 7 August 2023. MotoNovo eventually commissioned an inspection of the car, which took place on 20 September 2023 at 52,893

miles. The inspector was asked to report on the knocking noise, and a gearbox oil leak Mr S had reported more recently.

The inspector noted there was a knocking noise from the nearside front over rough ground and, having examined the suspension components, found some play in the nearside upper suspension mount which could be the source of the noise. The inspector found oil staining on the transmission oil sump but was unable to diagnose this further. In the inspector's opinion, it was unlikely the issues he had found were present or developing at the point the car was supplied to Mr S, given the mileage that had been covered since then.

MotoNovo sent Mr S a final response to his complaint on 9 October 2023. It didn't agree that the current issues with the car were its responsibility, but it did pay him £75 compensation for delays and communication problems while dealing with his complaint.

Dissatisfied with this response, Mr S asked the Financial Ombudsman Service to consider his complaint. One of our investigators looked into the case, and concluded that MotoNovo didn't need to do anything more to resolve his complaint. She made the following key findings:

- It was likely the knocking noise wasn't present when the car was supplied to Mr S.
- The problems Mr S had experienced with the car were due to a reasonable level of wear and tear.
- The amount of compensation paid by Motonovo to Mr S for its poor service was reasonable.

Mr S disagreed and asked that an ombudsman consider his case. He noted that he had been reporting noises from the front of the car from November 2022 onwards. In his view, the more recent suspension problem was likely to be related to the ones which he'd experienced soon after he'd acquired the vehicle. No agreement could be reached and so the case has now been passed to me to decide.

While I was considering the case, Mr S advised that the problem he mentioned with the infotainment system is still present and this is something he would like to be looked into. Some enquiries were made around this, but I understand Mr S is now of the view that the infotainment system is functioning correctly, possibly due to a software update by the manufacturer, so there is no need to look into this further.

Mr S has also said that he's recently had further repairs carried out to the car. These have been the replacement of a gearbox and/or engine mount and two front shock absorbers. I understand the engine/gearbox mount requires some bushes which are still to be fitted. It's not known what the mileage of the car was at the point of these repairs, but Mr S says these issues were related to the noises he was hearing from the car.

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.

Because MotoNovo supplied the car which is the subject of this complaint to Mr S under a hire purchase agreement regulated by the Consumer Credit Act 1974, I am able to consider a complaint about the quality of the car.

There's a term treated as included in hire purchase agreements that where goods are

supplied to a consumer, as here, they will be “satisfactory quality”. In the context of a car, what constitutes satisfactory quality will depend on things such as the age, mileage and any description of the vehicle. In this case the car was around three and a half years old and had covered over 35,000 miles, so a degree of wear and tear would be expected, and the replacement of components which require occasional or regular replacement might be needed sooner than on, say, a brand new vehicle.

Where goods are not satisfactory quality then the person to whom they have been supplied has certain rights under consumer legislation. Where faults which cause the goods to not be satisfactory quality emerge more than 30 days after supply, the supplier is allowed an opportunity to repair or replace them. Repairs must be carried out in a reasonable time and without significant inconvenience to the consumer. If this is not possible then the consumer can insist on rejecting the goods and receiving a refund.

The car in this case has had problems with suspension components, and a potential leak of oil from the gearbox. It seems a broken gearbox and/or engine mount has now been diagnosed as well. I will consider the oil leak first.

Gearbox oil leak

The first mention of an oil leak from the gearbox in the evidence I’ve seen, is in the engineer’s report commissioned by MotoNovo in September 2023. In this report it was described as a “new issue”, so it would appear that it had been reported relatively recently. By the time of the report, the car had covered almost 53,000 miles, with nearly 18,000 of those miles having been since Mr S took supply of it. The engineer did note oil staining on the transmission housing, but without a more invasive investigation it wasn’t possible to determine what the problem was, if any. Given the lack of evidence relating to this issue I don’t think it’s reasonable for me to conclude that it is something which means the car was not satisfactory quality when it was supplied to Mr S.

Suspension components

I think it’s worth me mentioning at this point that the nature of a car’s suspension and what it is designed to do, means that its components will wear out over time and distance. The suspension absorbs shocks transmitted from the road, such as from potholes, speed bumps and uneven surfaces. It can be subject to a high level of wear and tear.

Some evidence has been provided in relation to the problems with the suspension components. A third party garage diagnosed worn out drop links (part of the suspension system) within a couple of weeks of Mr S taking possession of the car, after he noticed knocking noises from the front. Given the short time which had passed, it seems likely to me that these components were worn out, or on the verge of wearing out, at the point the car was supplied to Mr S.

While drop links are wear and tear components and will require periodic replacement, I don’t think a reasonable person would consider the car to be satisfactory quality, taking into account its age and mileage, if the drop links were already worn to the point of failure when the car was supplied.

C paid for the drop links to be replaced. Mr S reported late in December 2022 that this had improved the way the car drove but he could still hear a noise when manoeuvring at low speeds. It appears no official diagnosis of any further issues took place until the car failed its MOT on 1 August 2023, by which time the vehicle had covered a total of nearly 50,500 miles, or around 15,000 miles and nine months since it had been supplied to Mr S. While the MOT failure was for a worn bush or pin, the whole front suspension arms were replaced at

C's expense as it appears the car was still under warranty at this point.

Like the drop links, pins or bushes in the suspension will wear out over time and distance, and the speed at which this process occurs can be dependent on external factors such as the condition of the roads. I note the garage which diagnosed the worn-out drop links during a vehicle health check, did not report any problems with worn out pins or bushes in the rest of the suspension. While I appreciate Mr S had reported more knocking noises between December 2022 and August 2023, the amount of miles he travelled prior to problems being diagnosed, and the fact no problems were noted with the pins or bushes when the car was inspected back in December 2022, makes it difficult to say that the pins or bushes were worn out or on the verge of failure at the point the car was supplied to him.

I take the same view regarding the components which were not replaced under warranty. These include the nearside suspension upper mount, the shock absorbers and the gearbox/engine mount. The first time a mechanic or other professional noted any issues with the upper mount was in September 2023, while issues with the shock absorbers and gearbox/engine mount were not reported until July 2024. I think it is very difficult to conclude that these components must have been defective or worn to the point of failure at the time the car was supplied to Mr S.

Unfortunately, I think the problems Mr S has had with the car's suspension and other components (apart from the initial problem with the drop links) are just part and parcel of maintaining a used car with significant mileage. I do not think they mean the car was not satisfactory quality when it was supplied to him.

Customer Service

I've taken a broad view of the customer service provided by Motonovo after Mr S reported problems with the car. There were clearly some delays in Motonovo being able to look into the issues, and I note it originally failed to investigate the reported issues with the infotainment system. Communication could also have been better at times. That said, I think the £75 compensation paid by Motonovo in respect of its customer service failings is reasonable in the circumstances.

My final decision

For the reasons explained above, I do not uphold Mr S's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 27 August 2024.

Will Culley
Ombudsman