

The complaint

Miss Y complains that the car she acquired financed through a hire purchase agreement with MotoNovo Finance Ltd wasn't of satisfactory quality.

What happened

In August 2023 Miss Y acquired a used car financed through a hire purchase agreement with MotoNovo.

In January 2024 Miss Y topped up the coolant in the vehicle and shortly afterwards noticed the level had gone down. Miss Y raise this with the warranty company which advised her to book the car in for diagnostics. When the car was investigated a few issues were discovered. These included the wishbones being deteriorated/detached, and coolant leak from the radiator and water pump/thermostat housing at the front of the engine. She said the mechanic also identified that the brakes and callipers were in a bad condition. She raised a complaint with MotoNovo.

MotoNovo arranged an independent inspection of the vehicle. The engineer identified several issues and subsequently MotoNovo partially upheld Miss Y's complaint. It said the dealer had agreed to facilitate repair of the offside front suspension arm bush. It said the faults with the coolant and thermostat housing were not the responsibility of the dealer.

MotoNovo offered £220 in compensation as an apology for the inconvenience caused by the faults and for needing to have the vehicle inspected. It said this compensation also took into account the length of time taken to deal with the complaint. It also reimbursed one monthly payment for the time Miss Y had been without the vehicle. Miss Y wasn't satisfied and brought her complaint to this service. She said the independent inspection hadn't properly shown the extent of the problems with the vehicle. And that MotoNovo had disregarded key points she had raised.

Our investigator concluded the vehicle wasn't of satisfactory quality when it was supplied due to the suspension arm bush having limited future life expectancy at the point of sale. The investigator also concluded issues with the brake discs and the coolant leak were likely not present at the point of sale. She considered the settlement by MotoNovo to be fair and reasonable. Miss Y didn't agree and asked for a decision from an ombudsman. She made some additional comments to which I have responded below where appropriate.

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 realise this will come as a disappointment to Miss Y but having done so I agree with the conclusions reached by the investigator for the reasons I've outlined below.

I trust Miss Y won't take it as a discourtesy that I've condensed the complaint in the way that I have. Ours is an informal dispute resolution service, and I've concentrated on what I

consider to be the crux of the complaint.

In considering what is fair and reasonable I need to have regard to the relevant law and regulations, regulator's rules, guidance and standards, codes of practice and (where appropriate) what I consider to have been good industry practice at the relevant time. Miss Y's hire purchase agreement is a regulated consumer agreement and as such this service can consider complaints relating to it.

MotoNovo, as the supplier of the car, was responsible for ensuring it was of satisfactory quality when it was supplied to Miss Y. Whether or not it was of satisfactory quality at that time will depend on several factors, including the age and mileage of the car and the price that was paid for it. The car that was supplied to Miss Y was about six years old and had been driven for 43,849 miles. Satisfactory quality also covers durability which means that the components within the car must be durable and last a reasonable amount of time – but exactly how long that time is will depend on several factors.

I'm persuaded by the independent inspection and Miss Y's testimony there were multiple faults with the vehicle.

The car was inspected on 9 February 2024. By this time the mileage on the vehicle was 51,366. The conclusions were:

“Brakes are obviously a wearing component, and the vehicle has covered approx. 8,000 miles although the rear discs are heavily corroded...the vehicle passed an MOT with a similar mileage at the point of sale confirm the brake discs were road legal at that point and met minimum MOT standards...”

The level of wear to the suspension bush in our opinion is excessive, although it may have met minimum MOT standards at the point of sale, it would have had limited future life expectancy at that point of sale ... the sales agent should repair on the grounds of durability.

If the vehicle had a coolant leak present the point of sale this would have shown up much sooner i.e. shortly after the date of sale leading us to conclusion that the coolant leak has developed after the point of sale as a result of general wear and tear to the water pump and thermostat housing, this would not be classed as premature wear and therefore not the responsibility of the sales agents.

Furthermore, if there was a coolant leak at the point of MOT, the tester would have advised.”

I'm pleased to see MotoNovo accepted the conclusions of the independent inspection regarding the suspension bush and facilitated the repair as well as provided compensation to Miss Y. But Miss Y doesn't think MotoNovo has gone far enough as there were other serious issues with the vehicle.

If I'm to decide the car wasn't of satisfactory quality, I must be persuaded faults were present at the point of supply. Faults that developed afterwards are not relevant, moreover even if the faults reported were present at the point of supply this will not necessarily mean the car wasn't of satisfactory quality. This is because a second-hand car might be expected to have faults from wear and tear.

The independent inspection was commissioned to identify any faults and to establish whether these were present or developing at the point of sale. Miss Y has queried the quality of the inspection and report. The inspection was carried out by a supplier well known in the

industry for these types of inspections. I understand the author of the report made two mistakes in the description of the vehicle which is unfortunate. But the faults identified were the same as those identified by the garage which inspected the car when the problems occurred and I've no reason to dispute the independent report's technical findings.

In response to our investigator's view Miss Y said she did not believe that nearly £2,000 worth of damages can be down to wear and tear, especially within six months of having the car. She said every piece of information or evidence she provided was disregarded. Miss Y also queried the independent report on the basis that it contains just the opinion of the inspector.

While I do understand Miss Y had only had the car for six months, she had driven it over 7,500 miles between August and February. This is above average mileage and is a key consideration when identifying whether faults were present at the point of sale or whether they could have developed later. So, I consider it reasonable the inspector used his judgement as to whether faults were present or not, in the absence of irrefutable evidence.

The coolant leak –

After seeking advice about the independent inspection Miss Y said this vehicle came with an under tray that blocks the view of where the water pump and thermostat housing is and it would have to be removed to gain access. Miss Y said that as the car had undergone diagnostics to confirm the damages the garage would have had to have removed this to confirm the issue. She said the inspector would not have seen the coolant buildup on the under tray. She said he claimed it would have been seen on the MOT. But the advice she's received she said the under tray is not allowed to be removed during an MOT. She said this should have been noted as an advisory on the MOT and wasn't. She said she was aware that it was up to the MOT tester's own discretion whether this is marked as an advisory and that with her vehicle the MOT tester could have marked it as an advisory but chose not to. So, she said the liability would therefore lie with the garage who conducted the MOT.

The brakes –

Miss Y said after six months of having the car the brakes should not be in the condition noted in the inspection. She questioned why a garage would sell a car which has heavily corroded brake discs.

Where the evidence is incomplete, inconclusive or contradictory I reach my decision on the balance of probabilities - in other words what I consider is most likely to be the case in light of the available evidence and the wider circumstances.

I do understand Miss Y's point regarding the coolant and whether a leak would be visible. I haven't seen any evidence that the MOT was carried out incorrectly and neither the coolant leak nor the brakes were noted as advisories. The independent inspector noted that given the mileage of the vehicle Miss Y had driven, the coolant leak would have shown up earlier. And even if the brakes were noted on the MOT as an advisory this wouldn't necessarily mean the car was of unsatisfactory quality as these are subject to wear and tear and regular maintenance. Miss Y said the garage stated it had never seen a car in that condition within six months of owning it. She said regardless of if it was six years old or not, she should not be having to replace a whole radiator so soon. I understand Miss Y's frustration and strength of feeling in this matter, but I'm satisfied I can rely on the technical evidence provided by the independent report that the coolant leak likely wasn't present at the point of sale and given the mileage driven over the six months I think it quite possible the fault developed after sale.

Miss Y said it was incorrect of the independent inspector to state that the vehicle had not

been used regularly on the public highway for some considerable time based on the level of corrosion buildup on the brake discs. She said she had to drive it every day to get to and from work on a dual carriageway. It's not clear to me what the inspector meant by "some considerable time" but in her complaint to MotoNovo Miss Y said between 23 December and 5 January her car was barely driven so there was a period of time when the car wasn't driven much.

I understand this isn't the answer Miss Y would like but I haven't seen any evidence which persuades me the coolant leak and brake faults were likely present or developing at the point of sale. And I'm satisfied MotoNovo accepted responsibility for the suspension bush.

Miss Y has also complained about the way MotoNovo handled her complaint. Complaint handling isn't a regulated activity so generally I am not able to consider this unless it is ancillary to the issues being complained about. In this case I believe part of the complaint handling is ancillary. Miss Y has complained about the poor communication from MotoNovo and the time taken to assign a case handler. She said she wasn't offered a courtesy car and that she would be reimbursed out of pocket payments for insuring another car.

In its final response MotoNovo acknowledged Miss Y's concern regarding customer service including the length of time to allocate a case handler, the inconsistent information regarding the report process and the error in the vehicle details on the report. It paid compensation of £225 by way of an apology. I consider this fair and reasonable in the circumstances. MotoNovo also reimbursed one monthly payment for the time Miss Y was without the car. Again I think this is fair and reasonable. MotoNovo also said in the final response that further out of pocket costs could be considered. If Miss Y has evidence of these it should present that to MotoNovo so it can consider them.

Miss Y has complained about the MOT. I've not seen any evidence the MOT hasn't been carried out properly and the MOT check on GOV.UK does not show any advisories for the car for its MOT inspection in August 2023. It's reasonable for me to rely on that record when considering Miss Y's complaint.

Miss Y's expressed concern about the process and validity of the independent inspection. It's not my role to consider the process by which MotoNovo conducts its investigations or the suppliers it chooses. I've not seen any evidence the inspection was carried out improperly.

My final decision

My final decision is I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss Y to accept or reject my decision before 21 April 2025.

Maxine Sutton
Ombudsman