

The complaint

Mr C complains about a car he acquired with credit provided by MotoNovo Finance Limited.

What happened

In August 2022 Mr C entered into a regulated hire purchase agreement with MotoNovo to finance his purchase of a used car. The car was seven years old, it had been driven 76,650 miles, and its cash price was £25,750. It had recently passed its MOT test with no advisories.

Mr C told us that as soon as he started driving the car, he noticed the oil level was low, and he discovered that the oil consumption seemed to be excessive (one litre per 600 miles). One month later, a rod bearing failed, with the result that a new engine was fitted (the mileage then was 81,000). Meanwhile, he was without the car for three months. After it was returned to him, he found that the oil consumption was still very high. He told the dealer, who told him that either the valve stem seals or the turbos were leaking. In August 2023 the turbos were replaced (the mileage was 96,867), but the leak continued. The dealer denies replacing the valve stem oil seals.

In August 2023, Mr C complained to MotoNovo about the car. He also complained that the dealer had replaced the whole engine, rather than just replacing some parts (as they had told him at the time). The dealer denied that it had replaced the engine. It had only rebuilt it.

MotoNovo arranged an inspection by an independent engineer, which happened in September 2023. The engineer was unable to confirm the excessive oil consumption, and he recommended further tests, but he also said that high oil consumption is normal with high performance engines, especially once they age. The engineer said that the turbos had had to be replaced due to wear and tear, and not because they had been defective. He noted that the engine had been replaced, but he couldn't tell when. He found evidence of some other prior repairs, but as these related to parts which the dealer denied repairing, MotoNovo did not accept responsibility for them.

Mr C brought this complaint to our service, and asked to reject the car.

Our investigator did not uphold this complaint. Based on the engineer's report, he thought that the issues were the result of reasonable wear and tear. He concluded that the car had been of satisfactory quality at the point of sale.

Mr C did not accept that decision. He said that if the engine had been replaced before the car was sold to him, then the car had been mis-sold because it had not been described as having a replacement engine. The investigator did not change his mind, saying that as the car had been seven years old, it wouldn't be unreasonable for some parts to have been replaced by then. Mr C asked for an ombudsman to review this case.

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.

It is not in dispute that the engine now in the car is not the original, but there is no evidence about when the engine was replaced. Mr C thought the dealer replaced it in 2022 after the rod bearing failed, but the dealer denies that, leading Mr C to conclude that it must have already happened before the car was sold to him. MotoNovo says that for all it knows, Mr C might have had it replaced himself. The independent engineer said it wasn't possible to tell when it was replaced.

I note that in February 2024, the dealer said that it does not have any job cards, because it doesn't carry out any mechanical work itself; it subcontracts that out. It also said it no longer has copies of its invoices either. So it is not clear how it can now be so sure that its subcontractor didn't replace the engine in 2022. However, if that is what happened, then it was the result of the bearing rod failing, and I think that failed due to wear and tear, since rod bearings should be replaced every 60 to 80,000 miles.

I don't think there is enough evidence for me to fairly conclude when the engine was replaced, and so I make no finding about that question. But I don't think that matters, because selling a car with a replacement engine does not mean that the car was not of satisfactory condition. I would not go so far as to say that the buyer of a used car can be reasonably expected to assume that an entire engine might have been replaced, but the independent engineer did not say that the engine was in poor condition. He said that there was no evidence that the engine was defective, and the high oil consumption was not abnormal for this kind of car. The engine operation and emissions were normal, and there were no warning lights, unusual noises or smoke (symptoms of advanced excessive oil consumption). (There has been enough time to carry out a further road test, and I do not think it would be helpful to delay the case further to do that now.)

The only problem with the engine appears to be that whoever replaced it sealed it with silicon sealant which had failed. However the engineer's report does not describe this as a problem. So I do not uphold the complaint about the engine. (It is possible to update the engine number with the DVLA without needing a receipt for the new engine.¹)

The engineer said that the other repairs to the vehicle were satisfactory, and that they were normal maintenance for a vehicle of that age and mileage. The turbo chargers and other parts had needed to be replaced because of wear and tear. At the time of the inspection, Mr C had had the car for about one year and had driven it about 23,000 miles.

Based on the engineer's findings, I am persuaded that the car was of satisfactory condition at the point of sale, and I do not find that MotoNovo is liable for the problems that have arisen since then.

My final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 18 December 2024.

Richard Wood
Ombudsman

¹ See <https://www.gov.uk/change-vehicle-details-registration-certificate/what-evidence-to-give>