

The complaint

Miss P is unhappy with a car she acquired under a personal contract purchase ('PCP') agreement taken with MotoNovo Finance Limited.

What happened

Around November 2023 Miss P took a PCP agreement with Motonovo to acquire a used car. The car had covered around 8,200 miles and was registered in January 2022, meaning it was a little under two years old. The cash price of the car was £19,595. Miss P traded in a previous car which had a shortfall on the outstanding finance. So, she borrowed an additional £330.38 under the agreement to make this up.

Miss P was due to make 48 payments of £377.77 followed by a final payment of £9,778.68 if she wanted to keep the car.

Unfortunately, Miss P says she quickly noticed issues with the car. She said condensation was in the headlights when she first got the car and said there were issues with the brakes and clutch. She said a warning light kept appearing and the window was making a cracking noise when going up and down.

In December 2023 the car was returned to the dealer. The mileage was noted as 9,863. The dealer, in summary, said there were no issues with the headlights, collision warnings, other warning lights, the clutch or the brakes. But, it confirmed the window was making a noise and a repair was carried out.

Miss P complained to Motonovo. She said the car still had the issues she'd earlier noted.

An independent inspection then took place at the end of December 2023. The mileage of the car was recorded as 10,039. This said, in summary, that there was "*very slight condensation*" building up inside the headlight lens. It said the clutch and brakes operated as they should, as well as the driver's window. And it said no warning lights were displayed.

At the end of February 2024 Motonovo issued its final response. In summary, this said the manufacturer of the car had confirmed that the condensation build up was normal and would be eliminated by using the headlights with the engine running. It said the independent inspection had not confirmed other faults, so it was not upholding the complaint.

Miss P remained unhappy and brought the complaint to our service. She said the dealer had fixed the window, but all other issues were still present. She said because of the issues she'd not driven the car since the end of December 2023. Miss P said she didn't think the

car was safe, and so she'd had to take a second car on finance. She said paying for two cars was causing her serious financial difficulty.

Our investigator upheld the complaint. In summary, she said that she was satisfied the issue with the headlights identified in the report meant the car was of unsatisfactory quality. She said Miss P should be able to reject the car, that Motonovo should refund all repayments

Miss P made and said it should pay her £100 to reflect the distress and inconvenience caused.

Motonovo was unhappy with this. It pointed to some comments passed on by the dealer from the manufacturer who said condensation in the headlights is normal.

This was passed on to the author of the independent report. They said that if the condensation went away when the headlights were used for several hours then there would be no fault with the car. But, if it remained after this point, then it still thought there was an issue.

Motonovo also supplied some additional points from the dealer, also stating condensation is generally normal in headlights. And it forwarded two images of a headlight which it said was from the independent report.

Our investigator said this didn't change her opinion. As Motonovo disagreed with the outcome, the complaint was passed to me to decide.

I sent Miss P and Motonovo a provisional decision on 10 July 2024. My findings from this decision were as follows:

Miss P complains about a car supplied under a PCP agreement. Entering into regulated consumer credit contracts such as this as a lender is a regulated activity. So, I'm satisfied I can consider Miss P's complaint against Motonovo.

When considering what's fair and reasonable, I take into account relevant law, guidance and regulations. The Consumer Rights Act 2015 ('CRA') is relevant to this complaint. This says, in summary, that under a contract to supply goods, the supplier – Motonovo here – needed to make sure the goods were of 'satisfactory quality'. Satisfactory quality is what a reasonable person would expect, taking into account any relevant factors.

I'm satisfied a court would likely consider relevant factors here, amongst others, to include the car's age, price, mileage and description.

I'll consider that Miss P's car was used. I don't think a reasonable person would've expected it to have been in the same condition as a brand new one. But, it had covered less than 9,000 miles and was less than two years old. And it cost over £19,500. So, I think a reasonable person would've still had high expectations for its quality and would expect it to have been free from anything other than minor faults.

Miss P has raised several different issues with the car. I'll consider these in turn.

Clutch:

Miss P said the clutch had issues, particularly when pulling away on a hill.

On the invoice from the dealer, they note:

"investigated problems with pulling away on an incline, road tested on ('location name') hill and unable to confirm fault"

From the independent report:

"the vehicle's clutch operated as intended with an acceptable bite point and smooth take-up on drive"

I've carefully thought about what Miss P said here. But I'm satisfied it's likely there was no issue with the clutch.

Brakes:

Miss P said when braking hard there was a delayed response, and sometimes the brake would 'click' underfoot when using.

The dealer noted:

"investigated clicking from brakes, road tested but unable to confirm noise. Unable to fault"

The independent report noted:

"We performed a 6 mile road test. During the road test we performed a brake efficiency test with results of 77% for the foot brake"

"The vehicle's braking efficiency..... was acceptable"

Having thought about this, I'm satisfied it's likely there was no fault with the brakes.

Warning lights:

Miss P said the car displayed warning lights at various times.

The dealer noted:

"no warnings on dash"

"no fault found"

The independent report noted:

"There were no warning lights displayed on the dashboard"

I do appreciate warning lights could be an intermittent issue. But Miss P hasn't provided any other evidence, such as photos or videos, showing any warnings. So, thinking about this, I haven't seen enough to persuade me there is a fault here.

Window:

Miss P complained the window was making a noise.

The dealer noted:

"Investigated offside front wind noisy going up, confirmed fault, stripped door and found wiring loom for outer handle rubbing on glass causing noise. Repositioned wiring, tested all okay"

Thinking about this, I'm satisfied this means there was a fault with the window. I'm satisfied, given the mileage and timescales involved here, that this fault was likely present or developing at the point of supply. And I'm satisfied that a reasonable person would not expect this car to have this fault.

It follows that I find the car was not of satisfactory quality when it was supplied to Miss P because of the window.

The independent inspection noted:

“We operated the driver’s power window and the driver’s power window operated as intended with no abnormal noises”

Thinking about this, I’m satisfied this means the actions taken by the dealer fixed the issue.

The CRA explains that a repair is a remedy available to Miss P to put things right, so I’m satisfied this has been met. I don’t think, given this is a relatively minor issue, that any further action is due here from Motonovo under the circumstances.

Condensation in headlight:

Miss P complained about condensation in the headlights. And our investigator concluded there was a fault here that meant the car was of unsatisfactory quality. But I disagree. I’ll explain why.

I’ve considered what the dealer said on the invoice:

“investigated condensation in front headlights, unable to confirm, found no condensation in either lamp. No fault found”

The independent report said:

“there was very slight condensation building up inside the headlamp lens. The headlamp did not display any cracks or evidence of any damage”

“We do consider the fault with the headlamps to have been present at purchase”

I’ve then considered what Motonovo provided from the manufacturer. This explained, in summary, that condensation was normal, as air droplets would form on the inside of the headlight if there was a drop in air temperature.

The manufacturer said the condensation would disappear if the headlights were used for a few hours. This also seems to be confirmed by the dealer in the invoice:

“Advise customer runs headlights for up to 4 hours to clear if situation reoccurs”

I’ve also thought about specifically what the independent report noted here – it’s worth reiterating it described the issue as “very slight”. And I’ve considered the photos of the headlight Motonovo provided which it said was from the inspection. In these, I agree any condensation present could be described as ‘very slight’.

I’ve thought very carefully about all of this and what likely happened here.

I have no reason to doubt what the independent report said and I’m satisfied it’s likely very slight condensation was present at the time this was completed. But, I’m also satisfied it likely wasn’t present when the dealer saw the car a couple of weeks before.

The independent inspection took place in the morning in December, so I’m satisfied this fits with the manufacturer’s explanation that condensation can form with a drop in air temperature. I think the most likely explanation for the differing reports is that condensation was appearing at times and then going, depending on the weather and use of the car.

I haven’t seen enough to persuade me that the condensation noted in the report wouldn’t clear when the headlights were used or the weather changed. I’m also satisfied that the

condensation, given the description of it and the other notes from the time, wouldn't affect the functionality of the headlamps.

It follows all of this that I haven't seen enough to persuade me that the very slight condensation present shows any fault with the car. I think it's most likely the headlights performed as they should.

Conclusion:

In summary, I'm satisfied the car had a fault with the window which meant it was not of satisfactory quality when it was supplied. But I'm satisfied Miss P's rights under the CRA have been met by this issue being repaired.

I'm not persuaded that the condensation was a fault, or made the car of unsatisfactory quality. And I don't think it's likely the other issues Miss P complains about were present.

I appreciate Miss P says she felt she had to acquire a second car as this one was unsafe. But I don't agree this was likely the case and I can't see she needed to take this course of action. However, I appreciate she now says she's in financial difficulty due to the situation. It might be prudent for her to contact Motonovo to discuss her options. I'd politely remind Motonovo to treat her situation with forbearance and due consideration.

I gave both parties two weeks to come back with any further information or evidence. Motonovo didn't respond. Miss P replied and explained the condensation issue got worse when the car was driven, not better. And she sent in various photos and videos of 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.

Having done so, I still do not think this complaint should be upheld. I'll explain why.

Miss P sent in some photos of the car's headlights which I've considered. I've also thought very carefully about her testimony here, Miss P explains that the condensation appears when the car is being used. And I've considered that she thinks four hours is too much to run the car for the clear the condensation.

Having carefully thought about this, I still accept the condensation is present, and I've noted it's easier to see this in the photos recently provided. But from what Miss P says, it still appears the condensation was coming and going, which is what the manufacturer said was normal. And I still haven't seen this would've impacted the use of the car nor the functionality of the headlights.

Thinking about this, I'm still not persuaded it's likely there was a fault with the headlights.

I've then considered the other photos and videos Miss P provided. These do appear to show a warning light illuminated.

I've carefully thought about this. From the mileage on the dashboard I can see, it appears these are from three different occasions.

Two photos show various warning lights on the dashboard when the car is stationary. Two videos appear to show an amber engine management light when the car is being driven.

From the mileages, both these incidents occurred before the dealer saw the car.

Two more videos then show an amber engine warning light illuminated. This incidence appears to be from between the dealer seeing the car and the independent inspection taking place.

I've very carefully thought about this. It's important to note than warning lights can appear for various reasons. There's little commentary around the three occasions where these lights appeared, for example to describe the driving conditions or status of the car. There's no expert testimony, for instance from a garage or third party, explaining why these lights were illuminated. And I need to consider these all occurred before the independent inspection took place where no warnings were noted. And the dealer also noted no warnings.

Thinking about all of this, while I accept Miss P's car was showing warning lights, in the absence of any further evidence I haven't seen enough to persuade me this shows a fault which would mean the car was of unsatisfactory quality.

I've also carefully considered all of the other information and evidence on the case again. But having done so, I still don't think this complaint should be upheld. This is for the reasons explained above and those I set out in my provisional decision.

My final decision

My final decision is that I do not uphold this complaint.

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

John Bower
Ombudsman