

The complaint

Miss H complains that a car she acquired under a hire purchase agreement through MotoNovo Finance Limited was of unsatisfactory quality.

What happened

In July 2022, Miss H was supplied with a used car through a hire purchase agreement with MotoNovo. The cash price of the car was £4,950. She part exchanged a vehicle with £489.21 negative equity. The balance was to be paid over 47 monthly payments of £150.26 followed by a final payment of £151.26. At the time of supply, the car was around 10 years old, with a mileage of 65,119. The car passed its MOT a few days before it was supplied to Miss H.

Miss H said she experienced several issues with the car over the year following its supply. She says the exhaust fell off the car in March 2023 which required repair, and that a suspension spring snapped in September 2023. The car failed its MOT in that month. The exact reasons the car failed that MOT aren't available, but it passed a further MOT two days later. Miss H says several other repairs were needed at the time, including replacement of the front brake pads and two tires.

The car broke down in February 2024. Miss H was told the subframe was completely rusted through and that the suspension and two wishbones needed to be replaced. She recalls being told that the level of rust present wouldn't have developed in the time she'd had the car, and that it wouldn't be worthwhile to repair in its current condition.

Miss H complained to MotoNovo, and wanted to reject the car, alleging it was of unsatisfactory quality. MotoNovo said that because Miss H had been in possession of the car for more than six months, the onus was on her to demonstrate that there were faults present at the point of supply. It said that without evidence of the reported issues – and taking into account the length of time she'd had the car – it couldn't agree that there was a problem at the point of supply.

Unhappy with this response, Miss H referred her complaint to this service. She also arranged an inspection of the car in July 2024 and provided a copy of their report. The report said:

- The car's mileage was 77,446.
- The front sub-frame showed an excessive level of corrosion, which had been hidden with an underbody spray sealant.
- There were several holes in the structure of the sub-frame caused by corrosion.
- The rear axle and boot floor also showed excessive corrosion.
- The corrosion would have been occurring for several years to have progressed to this point.
- The car was unroadworthy and unsafe to drive as a result of the corrosion.

One of our Investigators considered the complaint and didn't uphold it. They noted that Miss

H had driven the car for more than 12,000 miles before reporting the faults, and that corrosion issues weren't noted during the MOTs in 2022 or 2023. They said corrosion wasn't uncommon and can occur naturally over time. So, they thought the current level of corrosion was reasonable wear and tear and didn't mean the car was of unsatisfactory quality at the point of supply.

Miss H didn't agree with the Investigator's conclusions. She said her report shows the corrosion would have been present at the point of supply, and that the car should never have been given to her in that state. She said the use of a spray sealant suggests the dealership deliberately tried to hide the issue, and that it may not have been visible during the MOTs. She said the car had put her and her family at risk, and that she was only able to drive it for so long because she's a careful driver. She asked for the complaint to be referred to an Ombudsman for a final decision, so it's been passed to me to decide.

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.

If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome. Where evidence has been incomplete or contradictory, I've reached my view on the balance of probabilities – what I think is likely to have happened given the available evidence and wider circumstances.

In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and (if appropriate) what I consider was good industry practice at the time. Miss H was supplied with a car under a hire purchase agreement. This is a regulated consumer credit agreement which means we can investigate complaints about it.

The Consumer Rights Act 2015 (CRA) covers agreements such as the one Miss H entered. Under this agreement, there is an implied term that the goods supplied will be of satisfactory quality. The CRA says that goods will be considered of satisfactory quality where they meet the standard that a reasonable person would consider satisfactory – taking into account the description of the goods, the price paid, and other relevant circumstances. I think in this case those relevant circumstances include, but are not limited to, the age and mileage of the car and the cash price. The CRA says the quality of the goods includes their general state and condition, as well as other things like their fitness for purpose, appearance and finish, freedom from minor defects, safety, and durability.

So, if I thought the car was faulty when Miss H took possession of it, or that the car wasn't sufficiently durable, and this made the car not of a satisfactory quality, it'd be fair and reasonable to ask MotoNovo to put this right.

There doesn't seem to be any dispute that the car currently has excessive levels of corrosion. I've considered whether this was likely to be the case when Miss H acquired it – and if so whether that meant the car was of unsatisfactory quality.

In deciding this, I need to take into account that the car was around 10 years old when it was supplied to Miss H, with a mileage of 65,119. I think it's reasonable to expect a 10-year-old car to have considerably more wear and tear than a new one. And it's likely a car of that age will require some level of repair and maintenance much sooner than a newer one would.

The report provided by Miss H says corrosion would need to have been developing for several years to progress to its current level. Based on this, I'm satisfied the car currently

has an excessive level of corrosion. Given the findings of the report, it's also likely there was some level of corrosion present when the car was supplied to Miss H. But this doesn't automatically mean it was of unsatisfactory quality at that time.

Corrosion can naturally develop over time, and is influenced by various factors such as weather, the age of the car and its exposure to water. Miss H used the car for around 18 months – and was able to drive more than 12,000 miles – before the issue was reported to MotoNovo. I'm not persuaded she'd have been able to do that if the car hadn't been of satisfactory quality when it was supplied.

Miss H says she had to pay for some repairs due to rust some time before she asked to reject the car – suggesting that the issue of corrosion was present and developing much earlier. But the first of the problems Miss H describes occurred in March 2023 – more than six months after the car was supplied. So, even considering the other problems Miss H had with the car, she was still able to use it for a significant period before the problems started to present themselves.

I also note that the car passed an MOT in July 2022 and September 2023. While the presence of corrosion won't necessarily cause an MOT to fail, the fact that the car passed does suggest that the problem hadn't developed to the point that it was unroadworthy by that time. By February 2024, the car was deemed unroadworthy because of the corrosion. This suggests the problem had progressed significantly since the last MOT was carried out five months earlier.

Miss H's report suggests that a spray sealant had been used to cover the corrosion. Miss H says this is likely why the car passed the MOT – as the true extent of the corrosion wouldn't have been visible. But if the corrosion was severe enough to make the car unroadworthy, I think it's reasonably likely it would have been picked up during the MOT. And even if the dealership had applied a spray sealant, that doesn't necessarily mean there was corrosion severe enough to suggest the car was of unsatisfactory quality.

So, even if there was some corrosion present at the point of supply, based on the available evidence I don't think it's likely that the car was of unsatisfactory quality at that time. The fact that significant corrosion has developed since then doesn't mean Miss H can now reject the car. I haven't seen any evidence to persuade me that the condition of the car at the time of supply wasn't in line with the level of reasonable wear and tear you'd expect for a car of that age and mileage.

I sympathise with Miss H, and I can appreciate why she's unhappy – as the level of corrosion has left her unable to use the car. But for the reasons I've explained I'm not persuaded on the balance of probabilities that the car was of unsatisfactory quality when it was supplied to Miss H – taking into account all of the relevant circumstances. So I don't think MotoNovo needs to allow her to reject the car, and I won't be requiring it to do anything further.

My final decision

My final decision is that I don't uphold Miss H's complaint about MotoNovo Finance Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 29 April 2025.

Stephen Billings
Ombudsman