

The complaint

Mr M complains about a car supplied under a hire purchase agreement, provided by MotoNovo Finance Limited trading as MotoNovo Finance.

What happened

Around 18 February 2023 Mr M acquired a used car under a hire purchase agreement with Motonovo. The car is listed with a cash price of £6,700 on the agreement, was nearly ten years old and had covered around 37,952 miles. Mr M paid a deposit of £200.

Unfortunately, Mr M says the car developed issues. He said from the beginning the car put out white smoke from the exhaust when idling. He said it lost engine oil. He said the car couldn't engage the main beam on the headlights. And he said there was a knocking noise from the steering. Mr M said these issues meant the car shouldn't have passed its MOT before he acquired it.

Mr M said the issues weren't fixed despite several attempts by the dealer. He then explained around January 2024 that the car had 'blue smoke' coming from the exhaust meaning it failed an MOT. He says he was then told this was due to an engine and turbo failure and will cost around £5,000 to repair.

Mr M complained to Motonovo. Motonovo issued its final response in April 2024. In summary, this said it had tried to speak to Mr M on several occasions but couldn't. It said the dealer didn't accept liability and had explained it thought the car had not been serviced while Mr M had it. Motonovo said there was no evidence the faults were present or developing at the point of supply. So, it said it was not upholding the complaint.

Mr M remained unhappy and referred the complaint to our service. He reiterated the points he made to Motonovo. He said he'd had to borrow a friend's vehicle to keep being available for work. And he explained he'd been constantly worried about the situation.

Our investigator issued a view and did not uphold the complaint. In summary, he said due to the age and mileage of the car that he thought the recent issues with the turbo and engine were due to wear and tear and a reasonable person would consider that it was durable.

Motonovo responded and said it no longer had any financial interest in the car and believed it had been scrapped. It also said the agreement was still active and Mr M remained liable for the balance.

Mr M responded and said, in summary, that the vehicle and evidence had been destroyed. He said the car was "*never away from the garage to have work done and oil changes*". And he said our investigator was 'just protecting Motonovo'.

Our investigator explained this didn't change his opinion. So, the case has 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.

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

Mr M complains about a car supplied under a hire purchase agreement. Entering into regulated consumer credit contracts such as this as a lender is a regulated activity, so I'm satisfied I can consider Mr M'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 consider relevant factors, amongst others, to include the car's age, price, mileage and description. The CRA also explains that durability of goods can be considered as part of satisfactory quality.

In this case I'll consider that the car was used and had covered around 38,000 miles. Mr M paid around £6,500 for the car, which is a significant reduction on what it would've cost new.

This means I think a reasonable person would not have the same expectations as they would for a newer, less road worn car. But, I still think they would expect it to be free from anything other than reasonably minor defects and would expect trouble free motoring for at least a short time.

What I need to consider in this case is whether I think Mr M's car was of satisfactory quality or not. I think the crux of this complaint is what this means in relation to the car's engine and turbo failing. But Mr M has also raised some other issues which are worth commenting on.

I've been supplied with some history of when the dealer saw the car. Some of this is prior to Mr M acquiring it:

I've seen an invoice marked "*PRE-SALE*" which appears to show a service to the car as this charges for oil and filters. It also notes a coil spring and wiper blade were replaced. This was dated 22 December 2022 and noted the mileage as 37,954.

A further invoice dated 6 January 2023 with a mileage recorded of 37,954 shows the replacement of an "*air con pipe*" and "*TOP STRUT MOUNT*".

I've seen an invoice from the dealer dated 16 February 2023. This detailed replacement of the "*BACK UP LAMP*" and a fog light.

Given this was prior to Mr M getting the car and the invoices detail repairs, I'm satisfied it's likely these faults were put right before he acquired it.

The first evidence I've seen from after Mr M acquired the car is an invoice from 12 April 2023 from the dealer. The mileage is recorded as 41,694. This details repairs to the headlight aim, an indicator switch and labour costs in relation to the rear windscreen wash not working. The total was for £184.80.

I've then seen an invoice from June 2023 with a mileage recorded as 45,993 which states

“freed off and adjusted steering linkage”. This was for £50.40.

An invoice from September 2023, with the mileage recorded as 53,199 notes a repair to the steering rack due to *“knocking on steering”*. This was for £290.40.

So, it doesn't seem in dispute that Mr M's car developed these faults over the time he had it. I've thought carefully about these issues. Our investigator explained he didn't think the car was of unsatisfactory quality when supplied to Mr M. However, considering the earliest of these invoices I'm not sure this is quite clear cut.

I say this as I think, given repairs were required around two months after getting the car, that the issues noted in the April 2023 invoice were potentially present or developing at the point of supply. At the point of this invoice, the car had covered less than 3,750 miles. So, I think there's also a case to make the argument that the car wasn't durable.

However, all of these issues are quite minor. And I'm satisfied that the dealer repaired them. The invoice doesn't contain Mr M's details and he hasn't mentioned having to pay, so I've assumed this work was done without cost to him.

Even if I found the car was of unsatisfactory quality because of these problems, repair would be one of the remedies available to Mr M under the CRA. So, either way, his rights would have been broadly met and so Motonovo needs to take no action.

Considering the later problems, at the point of the next invoice in June 2023 Mr M had the car for around four months and had covered over 8,000 miles. I'm satisfied from this point the issues were unlikely to be present or developing when supplied and a reasonable person would've considered the car durable. So, I find Motonovo needs to take no action in relation to the faults noted on the invoices from June and September 2023.

I've then thought about the more recent issues.

I've seen a copy of a job card which appears to be dated 12 January 2024. The mileage is recorded as 57,901.

This is handwritten and states:

“High Pressure in engine causing oil to go through turbo.

Turbo is stiff to turn

Coolant leak from timing cover + Radiator”

It then appears to detail a replacement of the engine, water pump, turbo and radiator. There are several figures but at the bottom is *“5400”*, which I've assumed given what Mr M said is the estimated cost of the repair.

I've seen a copy of the MOT history also from 12 January 2024. This noted the same mileage of 57,901 and recorded a failure with the following major defects:

“Suspension arm pin or bush excessively worn nearside front”

“Suspension arm pin or bush excessively worn offside front”

“Exhaust emits excessive dense blue smoke during acceleration”

“Emissions unable to be completed (due to to much smoke)” (sic)

So, it doesn't seem to be in dispute here that unfortunately Mr M's car suffered from a turbo and engine failure.

I've thought very carefully about what Mr M said about this. In particular, I've noted he says the car had issues with smoke from the exhaust and an oil leak since the point he got it. But, this isn't evidenced anywhere else – none of the earlier invoices note any issues with oil leaks, emissions, smoke or other engine and/or turbo related issues. And I haven't seen any other evidence such as an independent report or testimony from any third-party garages.

At the point of this failure Mr M had the car for around a year and it had covered nearly 20,000 miles. It was also coming up to being eleven years old. Given this, and the lack of other evidence, I'm not persuaded these faults were present or developing at the point of supply. I also find a reasonable person would consider the car durable given its age and the mileage covered at this time.

I've noted that the dealer believed Mr M hadn't had the car serviced during the roughly 20,000 miles he'd covered in it, which it thought may have contributed to the failure. If correct, this *could* mean parts of the engine would've suffered from considerably more wear and tear than would be expected. But I've not seen evidence of this. And, even if Mr M *had* serviced the car, this wouldn't change my opinion. So, I make no findings on this specific point.

I want to reassure Mr M that I've considered everything else he's said in relation to the case. But I'm still satisfied it should not be upheld.

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 Mr M to accept or reject my decision before 19 June 2025.

John Bower
Ombudsman