

The complaint

Mr A complains about the quality of a car supplied to him by MotoNovo Finance Limited ("MotoNovo").

What happened

Mr A acquired a used car under a 61 month hire purchase agreement with MotoNovo in November 2023. The car was around seven years old and the cash price of the car was £12,995. Under the agreement, Mr A was required to make 60 monthly payments of £293.27, followed by a final payment of £1 if he wanted to keep the car. The total amount payable under the agreement was £17,597.20. The car was supplied from a dealership I'll refer to as "D". At the time the car was supplied to Mr A, the mileage was reported as around 57,000¹.

In February 2024, Mr A said the car started to judder but no-fault codes appeared. He said a couple of days later, the car juddered again and it wouldn't go into gear. He said he contacted a breakdown company and the car was recovered to a manufacturer dealer. The dealer told Mr A a new gearbox was required. Mr A says he contacted D who told him the car was outside the three-month warranty but it would cover costs if Mr A used a recommended third-party garage, who I'll refer to as "P". Mr A says he did this and he collected the car in late March 2024. He said whilst he was travelling with his family, around an hour into his journey, the car started having issues and he had to call a breakdown company. The car was recovered to P and Mr A was told a part that had been fitted during the gearbox repair was faulty, so a new one would be sourced. The following day, Mr A said he paid £3,000 for another car as he would struggle to get to work. Mr A complained to MotoNovo.

MotoNovo issued its response to Mr A's complaint in May 2024. It said D had admitted liability and agreed to assist with all necessary repairs. It said it would pay Mr A £200 for any distress and inconvenience caused.

Mr A agreed and said D had said it would provide him with a loan car. However, after Mr A collected the car from P a second time, he said it started juddering again in June 2024. Mr A was told the car would need some time to adjust to the new component. The car was returned to P. Mr A told D he wanted the car replaced. He said if it couldn't do this, he wanted to reject the car. Unhappy, Mr A complained to MotoNovo and said previous repairs hadn't been completed.

In September 2024, MotoNovo appointed an independent expert, who I'll refer to as "F", to carry out an inspection of the car.

MotoNovo issued its response to Mr A's complaint in October 2024. It said it had contacted P and it said no fault remained with the gearbox. It said the outstanding fault remained in relation to an electrical fault on the throttle position engine side or pedal side. It said the

¹ The mileage at the point the car was supplied is in dispute. The finance agreement lists a mileage of 55,000. However an MOT completed the day previously lists the mileage as 56,857. The sales invoice supports the MOT mileage. For the purposes of this decision, I think it is more likely than not that the mileage was around 57,000, rather than 55,000, at the time the car was supplied to Mr A.

subsequent repairs weren't authorised by it and F confirmed no fault was found with the gearbox. So, it didn't uphold Mr A's complaint.

Our investigator looked into the complaint and said she was persuaded the car wasn't of satisfactory quality when it was supplied to Mr A. She said Mr A had agreed to repairs on two occasions and she hadn't seen any information to suggest the second set of repairs failed. She said whilst a new fault had occurred, this wasn't related to the previous gearbox fault for which repairs were carried out. She said MotoNovo should reimburse Mr A for the six weeks he didn't have access to a car whilst repairs were carried out and said the £200 MotoNovo had already paid Mr A for any distress and inconvenience was fair in the circumstances.

MotoNovo agreed.

Mr A said he didn't have any access to paperwork from when the car broke down in June 2024. Mr A said he was bullied to accept additional repairs by D. He also said the car had done more miles at the time it was supplied to him as an MOT check completed the day before it was supplied listed the car having completed 2,000 more miles than when it was sold. He said our investigator had incorrectly said the car was ready to collect in March 2024 as no repairs had taken place, only a vehicle health check which confirmed the car needed a new gearbox.

Our investigator said she had quoted the mileage that was recorded on the finance agreement. She said whilst there was a discrepancy of around 1,857 miles, this wouldn't make a difference to the outcome she had reached. She said Mr A had accepted repairs and then proceeded to collect the car. She said there was no supporting information to suggest that Mr A asked to reject the car before repairs were carried out. She reiterated that she hadn't seen any information which suggested the repairs had failed to the gearbox.

Mr A said he had a breakdown report which showed a further gearbox failure and it was clear he didn't have the car between February to May 2024. He said after the first repairs failed he called MotoNovo in every call he wanted to reject the car. He said chat transcripts would show this. He also said the garage that carried out the second set of repairs said MotoNovo owed it £1,000.

Our investigator asked Mr A to provide a copy of the breakdown report he was referring to. And evidence that repairs were carried out by the second repair garage that cost £1,000.

Mr A said he shouldn't be expected to pay for repairs and sent an invoice totalling £2,071.78. MotoNovo agreed to pay for the cost of this invoice but said it would need to be issued in its name.

Mr A said this wouldn't resolve his complaint as he wanted to reject the car. He said he hadn't had the car for a year but it had only been recommended he would be reimbursed two months of finance payments. He said MotoNovo should contact the repair garage to obtain an invoice. He said he wanted to be released from the finance agreement and have the finance unwound. He later said a suitable outcome would be for MotoNovo to pay the repair bill and pay, the costs of an MOT and any subsequent fixes for it to pass and to pay for the cost of a throttle sensor and any repair needed to fix it.

Our investigator said Mr A hadn't provided any information to suggest the gearbox faults remained after the second set of repairs. She said following this in May 2024, she was persuaded the car was of satisfactory quality, so she didn't think MotoNovo should pay the cost of any monthly payments after this date.

As Mr A remains in disagreement, 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.

It may help for me to explain that I will reach my decision on the balance of probabilities. Where the evidence is incomplete, inconclusive or contradictory (as some of it is here), I must reach my conclusion based on what I consider is most likely to have happened in light of the evidence that is available as well as the wider circumstances.

I've read and considered the whole file and acknowledge that Mr A has raised a number of different complaint points. I've concentrated on what I think is relevant. If I don't comment on any specific point it's not because I've failed to take it on board and think about it – but because I don't think I need to comment on it in order to reach what I think is the right outcome. The rules of this service allow me to do this.

The finance agreement in this case is a regulated hire purchase agreement. So our service is able to consider complaints relating to it. MotoNovo is the supplier of the car under this type of agreement and so is responsible for dealing with a complaint about its quality.

The Consumer Rights Act 2015 ("CRA") covers hire purchase agreements. Under a hire purchase agreement, there are implied conditions that the goods supplied will be of satisfactory quality.

What I need to decide in this case is whether MotoNovo has done enough to put things right in relation to the gearbox repair and whether it is liable for any subsequent faults that Mr A has complained about. If I don't think it has done enough, I'll need to think what's fair, if anything, to put things right.

Gearbox repair

Mr A initially complained about a gearbox issue with the car in February 2024. This was around three months after it was supplied to him. At this point, there is no dispute that the car needed a new gearbox. MotoNovo upheld Mr A's complaint and said that D agreed to carry out the repairs. In light of this, I don't think there is any dispute that the car supplied to Mr A was of unsatisfactory quality.

However, following this repair, Mr A says the same issues occurred and the car started juddering. I can see a breakdown report from April 2024 which confirms there was an issue with the clutch and the car was taken to P. Mr A says he was told that P had installed a faulty part when the first repairs were carried out. So, this would need to be replaced. I've seen an email chain between Mr A and D which confirms P couldn't repair the car on the first attempt. I consider that because the initial repairs failed to the car, MotoNovo is liable for the failed repairs.

Following the repairs being carried out, F carried out an inspection of the car. The mileage was reported as 61,317. F in its report said:

"The road test was carried out at speeds of up to 50 mph, in mixed road and traffic conditions. During the road test, the engine and transmission performance would be considered in line with a similar vehicle of the same make and model the similar mileage. Throughout the course of the road test the vehicle handled and performed in a satisfactory manner, was free from any abnormal noises or vibration, there was no evidence of any excessive smoke from the exhaust, undue audible noises from the transmission and no evidence of overheating."

F stated that the issue with the throttle body sensor fault could result in an issue with the transmission, but this was unlikely. It said whilst Mr A had said the issue with the gearbox was intermittent, there was no evidence to show this.

Mr A has said there were further issues with the gearbox in June 2024. However, no supporting information has been provided to substantiate this. In addition, the recovery report doesn't confirm why the car had broken down, it simply confirms the car was recovered to P in June 2024.

Based on all the information provided to me, I'm satisfied the second set of repairs carried out by P were likely successful. I'll go on to consider whether I think MotoNovo has done enough to put things right later in this decision.

Subsequent fault with the car

Following the repair of the gearbox, F carried out an independent report. It said a fault code was stored in relation to a throttle body error code displayed on the diagnostic.

It said, "Throttle body issues are common and normally requires a fuel cleaner placed in the fuel tank to remedy, there are also specific throttle body cleaners for the throttle body which involve removing one of the intake pipes to expose the butterfly valve within the throttle body for cleaning - which is a minor issue and would be classed as general maintenance, nor would it affect the vehicle being road legal or unfit for purpose now or at point of sale, therefore, not be the responsibility of the sales agents."

Mr A acquired a car that was used – so there would be different expectations compared to a new car. Having said that, the car's condition at the point of supply, should have met the standard a reasonable person would consider satisfactory, taking into account its age, mileage and price. The CRA says the aspects of the quality of the goods includes their general state and condition alongside other things such as their fitness for purpose, appearance and finish, freedom from minor defects, safety and durability.

In light of this and given Mr A had been able to travel around 4,500 miles in the car by the time of the inspection, I consider that the issue with the throttle body error was a fault that occurred due to wear and tear. The fault is considered a minor issue which is classed as general maintenance. I think it's reasonable to expect a car that has covered around 60,000 miles may display this fault. So, I don't think this fault makes the car of unsatisfactory quality. It follows that I don't require MotoNovo to take any action in relation to this fault.

Has MotoNovo done enough to put things right?

Mr A says he wanted to reject the car after the gearbox wasn't repaired correctly the first time. I've reviewed the correspondence that has been sent to this service to consider whether I think MotoNovo has done enough and whether I think Mr A should be entitled to reject the car.

I can see that the car was taken to P on three occasions. This was in February 2024, April 2024 and June 2024. I consider that the first two occasions relate to the fault with the gearbox. After the car was returned to P in April 2024, it carried out a repair which was completed by May 2024. I've seen an invoice from P dated April 2024 which confirms that repair work was carried out on the gearbox totalling £2,071.78. I consider that these repairs were successful, as supported by F. MotoNovo should pay P directly for the cost of the repairs to the gearbox.

On the third occasion the car was taken to P, I consider it likely that the fault with the car related to the throttle body error code, as F has confirmed. Bearing in mind the conclusions, I've already set out in relation to this fault, I don't consider that MotoNovo is liable for the faults that occurred to the car after the car was recovered in June 2024. This means I don't think MotoNovo needs to do anything to put things right after the car was repaired on a second occasion in May 2024.

In relation to the first two repairs with the gearbox, Mr A was entitled to reject the car on the second occasion, as MotoNovo had its one chance to repair the car after it was recovered in February 2024. However, Mr A seems to have accepted repairs on the second occasion as the car was recovered to P and there is no supporting information to suggest Mr A requested a rejection at the time. Because Mr A appears to have agreed to repairs on a second occasion, he lost his right to reject the car. I could only put this aside if I consider that repairs weren't carried out within a reasonable time or without significant inconvenience. However, the car was repaired within around six weeks and P let Mr A know it was waiting for a part

from overseas before it could carry out the repair. In light of this, I don't consider that the repair was carried out in an unreasonable time.

Following this, Mr A requested a rejection of the car in June 2024. However, as I don't think the fault that appeared in June 2024 made the car of unsatisfactory quality, I'm not persuaded that Mr A is entitled to reject the car.

I've considered the time that Mr A has been without the car due whilst the car gearbox was repaired. I consider this was around 10 weeks. This was around four weeks for the first gearbox repair as the car was recovered from Mr A to a manufacturer garage and then P. Following this P had the car for around six weeks for the second gearbox repair. MotoNovo should reimburse Mr A for the ten weeks he was without the car, whilst repairs were carried out. MotoNovo is entitled to make a deduction from this if Mr A was provided with a courtesy car. It has been suggested by Mr A that D had agreed to this, but there is no information to confirm this.

I also appreciate that the car has remained with P since June 2024 and Mr A hasn't collected the car. But because I've explained that I'm not persuaded the fault that occurred in June 2024 makes the car of unsatisfactory quality, I don't consider that MotoNovo need to reimburse Mr A for any of the monthly payments he has paid since June 2024.

Mr A has also provided a collection invoice for the car to be transported from the manufacturer garage in February 2024 to P. This was at a cost of £100. If Mr A has paid this cost, then MotoNovo should reimburse Mr P this cost upon Mr P providing it with a receipt to show he paid this amount.

Finally, I've considered the distress and inconvenience caused to Mr A during February 2024 and May 2024. I can see that Mr A has said the car broke down whilst he was on a family holiday and I appreciate this likely caused him distress and inconvenience. Mr A has also let this service know about the impact of this on his mental health, which I'm sorry to hear about. Having carefully considered this, I think the amount of £200 that MotoNovo offered in its final response in May 2024, is fair and reasonable in all the circumstances.

My final decision

My final decision is that I uphold Mr A's complaint. MotoNovo Finance Limited should do the following to put things right:

- Pay for the repair of the car totalling £2,071.78, as per P's invoice from April 2024. MotoNovo should liaise with P directly to pay this amount to it. If Mr A has already paid this amount to P, MotoNovo should pay this amount to Mr A directly;
- Pay Mr A a pro-rata refund of 10 weeks' worth of monthly payments to reflect the time he didn't have access to the car due to the gearbox repair. However, if Mr A was provided with a courtesy car, it is entitled to make a deduction from this for each week Mr A was provided with a courtesy car;
- Pay Mr A £100 for the cost of the recovery of the car in February 2024, upon Mr A providing a receipt to show he made the payment;
- Pay 8% simple interest on all refunded amounts from the date of payment until the date of settlement;*
- Pay Mr A £200 for any distress and inconvenience, if it hasn't already done so; and
- Amend any adverse information reported to the credit reference agencies from February 2024 until May 2024.

* If MotoNovo Finance Limited considers that it's required by HM Revenue & Customs to withhold income tax from the interest part of my award, it should tell Mr A how much it's

taken off. It should also give Mr A a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 19 March 2025.

Sonia Ahmed
Ombudsman