

## **The complaint**

Mr C has complained about the quality of a car he acquired under a hire purchase agreement with MotoNovo Finance Limited ('MotoNovo').

## **What happened**

In January 2024 Mr C acquired a used car and entered into a hire purchase agreement with MotoNovo. At the point of supply the car was around six years old and had covered around 90,000 miles.

Having experienced faults with the car, in May 2024 Mr C raised a complaint with MotoNovo. He explained that he had been to three independent garages, all of which advised of engine failure. He said he'd been told there were problems with the engine cylinders and had paid £300 for the car to be towed. He had also incurred costs of hiring a vehicle.

MotoNovo didn't uphold the complaint. In short it explained following the independent inspection of the car it was satisfied the engine failure was not present or developing at the point of sale. So it didn't think the car was of unsatisfactory quality.

Mr C remained unhappy and so referred his complaint to our Service. Our Investigator looked into things and was minded to agree with the business. He didn't think the car was of unsatisfactory quality and so didn't recommend MotoNovo needed to do anything to put things right.

As an agreement couldn't be reached the complaint 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.

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 good industry practice at the time. Mr C was supplied with a car under a hire purchase agreement. This is a regulated consumer credit agreement which means we're able to investigate complaints about it.

The Consumer Rights Act 2015 (CRA) covers agreements like the one Mr C entered. Because MotoNovo supplied the car under a financial agreement, there's an implied term that it is of satisfactory quality at the point of supply. Cars are of satisfactory quality if they are of a standard that a reasonable person would find acceptable, taking into account factors such as the age and mileage of the car and the price paid.

The CRA also says that the quality of goods includes the general state and condition, and other things such as its fitness for purpose, appearance and finish, freedom from minor defects and safety can be aspects of the quality of the goods.

Satisfactory quality also covers durability. For cars, this means the components must last a

reasonable amount of time. Of course, durability will depend on various factors. In Mr C's case the car was used and covered approximately 90,000 miles when he acquired it. So, I'd have different expectations of it compared to a brand-new car. Having said that, the car's condition should have met the standard a reasonable person would consider satisfactory, given its age, mileage, and price.

So, if I thought the car was faulty when Mr C 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 things right.

Based on what I've seen I'm satisfied there was a fault with the car. I say this because both Mr C's plausible testimony and the independent inspector confirm this.

I've gone on to consider whether the fault meant that the car wasn't of satisfactory quality. I've looked at the initial independent report carried out in May 2024. The inspector said: *'Further investigation to ascertain the root cause of the faults would be required. The cylinder head would need removing from the vehicle in order to ascertain the root cause of the faults. At this time we are unable to confirm if this fault would have been present or in development at the point of sale until the cylinder head is removed'*.

As the report was inconclusive MotoNovo arranged for further investigation to be undertaken, the engine was stripped and a further inspection carried out. In August 2024 the independent report concluded the vehicle needed a full engine replacement and confirmed the faults presented at the time of the inspection would not have been present or in development at the point of sale. It said the car had undertaken just over 5000 miles since the point of supply and overall, it was in a condition commensurate to its age and mileage.

Under the relevant legislation, where a fault occurs in the first six months after the point of supply, there's a presumption that the fault was present at the point of supply. I haven't seen any evidence that the fault was present at the point of supply and the independent report confirms this. Mr C also hasn't provided any evidence to counter this.

While I appreciate Mr C doesn't agree with the report and says there are contradictions in the findings, I'm satisfied its independent and the expert is suitably qualified to make the findings it has. The report includes the expert's duty to the court and statement of truth. I think I can fairly put substantial weight on its findings.

Based on the findings of the report, I don't think MotoNovo's ultimate answer to the complaint was unfair. While I appreciate this will come as a disappointment to Mr C, I think it's more likely than not that the car was of satisfactory quality when it was supplied to Mr C and that the faults with the engine weren't present or developing at supply.

### **My final decision**

My final decision is that I don't 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 8 July 2025.

Rajvinder Pnaiser  
**Ombudsman**