

The complaint

Mr C complains that a car acquired under a hire purchase agreement with MotoNovo Finance Limited (“MotoNovo”) wasn’t of satisfactory quality when it was supplied to him.

What happened

The parties are familiar with the background of this complaint so I will only summarise what happened briefly here.

In October 2023, Mr C entered into an agreement to acquire a used car from a dealership (L). No deposit was paid, and the total purchase price was provided under a hire purchase agreement with MotoNovo. The car was seven years old and had covered approximately 94,000 miles when the agreement started. The agreement was for 61 months, and the cash price of the car was £24,995.

In June 2024, the car broke down. Mr C initially approached L about it, but they confirmed he was outside of his warranty period, so Mr C got in touch with MotoNovo. MotoNovo explained that it was for Mr C to prove any faults had been present at the point of supply, as he’d been in possession of the car for eight months. Mr C provided an independent report to MotoNovo, who considered it and arranged for their own independent report to be done. Both reports suggested the crankshaft had failed and the car needed an engine replacement. However, based on the findings of their commissioned report, MotoNovo didn’t uphold Mr C’s complaint. They said the report confirmed the faults now seen in the car weren’t present at the point of supply.

Mr C got in touch with our service. Our investigator didn’t uphold it. He said there wasn’t any conclusive evidence provided from Mr C to demonstrate that the faults with the car were present when the car was supplied to him. Because of that, our investigator said MotoNovo had acted fairly by rejecting Mr C’s complaint about the quality of the car.

Mr C didn’t agree. He felt the evidence supported his complaint, and that the car wasn’t of satisfactory quality when it was supplied to him.

As Mr C hasn’t agreed, 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.

Both parties have provided a lot of information here. I’d like to reassure them that I’ve read and considered everything that’s been sent, although I haven’t commented on it all within this decision. I will be focussing on what I consider to be the key points of this complaint.

When considering what is fair and reasonable, I’m required to take into account: relevant law and regulations, relevant regulatory rules, guidance and standards and codes of practice.

When the evidence is incomplete, inconclusive, or contradictory (as some of it is here), I reach my decision on the balance of probabilities – in other words, what I consider is most likely to have happened in light of the available evidence and the wider circumstances.

I think it's worth starting by explaining that I'm only looking at MotoNovo's responsibility here as the finance provider for the car. Mr C has voiced concerns about L and some of their comments post-sale – but at that time L weren't acting as agents of MotoNovo, and MotoNovo can't be held responsible for anything L have said post-sale.

As the hire purchase agreement entered by Mr C is a regulated consumer credit agreement this service is able to consider complaints relating to it. MotoNovo are also the supplier of the goods under this type of agreement and are responsible for a complaint about their quality.

The Consumer Rights Act 2015 (CRA) covers agreements like the one Mr C entered. Because MotoNovo supplied the car under a hire purchase 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 a reasonable person would find acceptable, taking into accounts factors such as – amongst other things – the age and mileage of the car and the price paid.

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

But, on the other hand, 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 seven years old and had covered approximately 94,000 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.

Our investigator has explained that he thinks the car was of satisfactory quality when it was supplied to Mr C. Or rather, he doesn't think there's conclusive evidence to show the faults with the car were present when the car was supplied to Mr C. I agree in this case. There is no doubt the car has a serious fault – all the reports received confirm that to be the case. But I'm not persuaded, from what I've seen, that I can conclude the car was of unsatisfactory quality when it was supplied to Mr C. I'll explain why.

The CRA explains that where goods are found not to have conformed to the contract within the first six months, it is presumed the goods did not conform to the contract at the point of supply. Unless the supplier, MotoNovo in this case, can prove otherwise. However, Mr C brought the problems with the car to MotoNovo's attention in June 2024, eight months after he'd been supplied with it. So, I need to consider if MotoNovo have done what I'd expect them to have done once they were aware there were problems with the car. As this was outside of six months since he'd been supplied with the car, it was for Mr C to prove any faults had been present at the point of supply.

Mr C arranged for an independent inspection to take place. He chose an independent expert from a website link provided by MotoNovo. When the inspection took place, the car had covered approximately 100,500 miles – Mr C had covered over 6,000 miles in it since being supplied with it. MotoNovo didn't accept this report – they said they had some concerns over the technician chosen – so they arranged for their own independent report to be done. Having received that, and having received our investigator's outcome, Mr C then arranged for a further inspection of the car to take place.

The reports all agree that the crankshaft has failed, and a new engine is required to repair the car. But they differ as to when they think the damage would have been caused, or if it would have been present at the point of supply.

The initial report commissioned by Mr C suggests that the engine in this type of car in general has a history of crankshaft failure. However, this is a generic statement about the type of engine, rather than about the engine failure that has occurred in Mr C's car, and I find this report the least persuasive of the three. It doesn't provide any conclusive evidence that the faults present would have been there at the point of supply – the technician suggests the most likely cause of the failure and that, in his opinion, it would have been present when the car was supplied – but it doesn't identify any cause for the faults seen with the crankshaft or provide any explanation as to what he's assessed to come to that conclusion.

The report commissioned by MotoNovo is more detailed but is also inconclusive in many ways. It explains that the engine needs to be dismantled to accurately determine why the crankshaft has failed and to provide a conclusive diagnosis. But it does also state that the technician thinks it's very unlikely that Mr C would have been able to drive more than 6,000 miles in the car since being supplied with it, if the crankshaft was failing at the time he acquired the car.

Finally, the report Mr C commissioned after our investigator's outcome had been received is also inconclusive. I accept it asks questions of the report provided by MotoNovo's chosen inspection company and questions the validity of some of the information contained within it. Those concerns may or may not be valid – that isn't for me to decide – but the report also states that the only way to find the definitive reason for the engine failure is for the engine to be removed and dismantled. It doesn't confirm any faults would have been present from the point of supply.

I can only decide that the car wasn't of satisfactory quality when it was supplied to Mr C if I have conclusive evidence to confirm that. And I just don't have that in this case. I have evidence of the faults, and I have claims and counterclaims from the reports carried out, including analysis of the oil removed from the engine – but neither of the reports provided by Mr C persuade me that the faults with the engine now seen would have been present when the car was supplied. And it's for Mr C to prove this here, due to the length of time he was in possession of the car when the faults were identified. As I'm not persuaded he's been able to do that, it follows that I can't say the car was unsatisfactory at the point of supply and that MotoNovo now have to do something to put things right.

As mentioned previously, the car Mr C acquired was seven years old and had covered approximately 94,000 miles when it was supplied to him. It's fair to say the car was far from new. This means that the standard a reasonable person might expect from it would be lower than for a car that had covered fewer miles. Acquiring a used car carries some inherent risks, not least of which is that sooner or later items, or components of the car, will need repair or replacement.

Mr C had the car for eight months and the car had covered approximately 6,500 miles when the independent reports were carried out. As previously stated, I'm satisfied that a reasonable person would expect to have to repair or replace some components on a used car sooner than they would on a newer one. In Mr C's case, I'm more persuaded than not, from what I've been provided with, that the requirement to replace the engine has come sooner than he was expecting, but I'm not persuaded that the evidence provided to me is conclusive enough for me to decide the car wasn't of satisfactory quality when it was supplied to him.

Mr C has also raised some questions about the service history of the car when speaking to our investigator. I haven't considered that within this decision as Mr C will need to raise any concerns he has with the car's service history with L and MotoNovo first and allow them to respond. He may then be able to raise a new complaint with our service if he's unhappy with the response.

I know this decision will come as a disappointment to Mr C, and he has a car that requires significant outlay to make it roadworthy again through what he believes to be no fault of his own. But I've explained above that I have to have conclusive evidence that any faults were present when the car was supplied to be able to hold MotoNovo responsible – and I just don't have that in this case. I'd remind Mr C that he's able to reject this complaint if he feels he can achieve a different outcome through the courts.

My final decision

For the reasons above, 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 10 July 2025.

Kevin Parmenter
Ombudsman