

The complaint

Mr B complains about the quality of a car he acquired under a finance agreement with MotoNovo Finance Limited (“MotoNovo”).

What happened

The details of this complaint are well known to both parties, so I won’t repeat them again here. Instead, I’ll focus on giving my reasons for my decision.

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.

I’ve read and considered the whole file, but I’ll concentrate my comments 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.

Mr B acquired his car under a hire purchase agreement. This is a regulated consumer credit agreement and as a result our service is able to look at complaints about it.

The Consumer Rights Act 2015 (CRA) covers agreements like the one Mr B 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 B’s case the car was used and covered approximately 49,368 miles when he acquired it. So, I’d have different expectations of it compared to a brand-new car; I think it’s likely there would be some wear and tear present. 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 B 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.

Having carefully considered matters I’m satisfied both parties are in agreement that the car supplied to Mr B wasn’t of satisfactory quality. So all I need to decide here is whether what MotoNovo has agreed to do to put things right for Mr B is fair and reasonable in all the circumstances of his complaint.

Having considered the available evidence, I'm in agreement with our Investigator that MotoNovo has done enough to put things right. I'll explain why.

It is my understanding that MotoNovo has already ended Mr B's agreement and collected the vehicle from him. The information provided suggests that it has also paid:

- £1,136.22 equating to three monthly repayments.
- A reimbursement of £285 for the deposit paid and £1,861.13 for the part exchange.
- £448.43 8% simple interest on all refunded amounts.
- £360 compensation in recognition of the distress and inconvenience caused.

And it agreed to remove any adverse information from Mr B's credit file in relation to this agreement. MotoNovo is satisfied that this represents a fair and reasonable resolution to Mr B's complaint.

However, Mr B doesn't think this goes far enough. He said he has made 23 monthly payments towards the agreement in total and doesn't think it's fair he is only reimbursed for three months. However, I don't think it's fair Mr B receives a full refund of his monthly instalments, it's fair he pays for his use of the car.

In my view Mr B has had full use of the vehicle and I've seen no evidence to suggest his use was impaired. I recognise that Mr B is unlikely to be happy about having to pay for the use he has had since inception, but I think it's fair and reasonable he pays for the car whilst he had use of it and not for the time, he had possession of the car.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 23 July 2025.

Rajvinder Pnaiser
Ombudsman