

The complaint

Mr M is complaining about the quality of a vehicle supplied to him by MotoNovo Finance Limited (MotoNovo).

What happened

In May 2023, Mr M entered into a hire purchase agreement with MotoNovo to acquire a van. The agreement states the deposit was £4,398 and Mr M borrowed £21,990 – the cash price of the vehicle was £26,388. The agreement required Mr M to make 47 monthly payments of £556.52 and a final payment of £557.52 if he wanted to keep the vehicle. The van was first registered in December 2020, and it had travelled just over 13,000 miles when it was supplied to Mr M.

In October 2023, Mr M complained to MotoNovo about the quality of the van. He said it was burning a lot of oil, and the engine warning light had come on. MotoNovo instructed a specialist to look at the van and concluded the vehicle was in a serviceable condition and generally in line with its age and recorded mileage. The specialist said although there were some fault codes, these seemed minor in nature. And they said the amount of oil being consumed by the van seemed to be in line with the manufacturer's guidelines. So, they found no evidence the van hadn't been durable at the time of supply.

In December 2023, on the recommendation of the dealer that sold the van, Mr M took it to the manufacturer. The manufacturer found faults in the injection system. They addressed this free of charge, under the warranty. They also said the van needed a new battery, which wasn't covered by the warranty, so Mr M paid for this.

In September 2024, Mr M contacted MotoNovo again to complain about the quality of the vehicle as the engine had "blown up". His local garage had told him they believed low oil pressure had resulted in damage to the engine. And, having previously looked at the van within weeks of Mr M acquiring it, they said they thought it had been faulty at the time of supply. MotoNovo said as the problems had arisen more than six months after they supplied the car, Mr M needed to get an independent inspection.

Mr M obtained two independent reports from the same mechanic – the first before the engine had been stripped and the second after it had been partially stripped. These reports concluded that there was internal component wear on the engine, involving the crankshaft and the big-end bearings. They said the bearing wear was likely a result of the engine being operated with insufficient oil in the sump. And they said Mr M's purchases of oil show he was trying to address the issue.

Mr M brought his complaint to our service and one of our Investigators looked into it. She said the average lifespan of an engine is at least 100,000 miles but this one had failed after just 34,000 miles. Our Investigator said she hadn't seen anything to suggest Mr M hadn't properly maintained the van and so she concluded that the van hadn't been reasonably durable when it was supplied. Our Investigator said Mr M should be allowed to reject the vehicle and MotoNovo should pay the costs Mr M incurred in relation to inspection reports and oil purchases.

MotoNovo disagreed with our Investigator. They said there was no evidence the faults existed at the time of sale or that the van wasn't sufficiently durable. And they asked the company that had carried out the independent inspection what they thought. That company said the engine failure was consistent with progressive bearing wear, caused either by insufficient oil levels or possible oil cavitation over time during the customer's ownership. They said they'd found no physical evidence of a pre-existing manufacturing defect, and the vehicle would have been considered durable and fit for purpose at the time of sale.

Our Investigator reiterated her view that the engine ought to have lasted much longer and there was no evidence that Mr M hadn't properly cared for it – so MotoNovo's response hadn't changed her mind. The complaint was referred for an ombudsman's decision – and it came to me.

I issued a provisional decision on 11 June 2025, explaining why I was intending to uphold the complaint and explaining in more detail what I thought MotoNovo needed to do to put things right. In that, I said:

“Having done so, I'm upholding Mr M's complaint for broadly the same reasons as our investigator. I'll explain more below.

The agreement in this case is a regulated consumer credit agreement. As such, this service is able to consider complaints relating to it. MotoNovo were the supplier of the goods under this agreement and are therefore responsible for a complaint about their quality.

The Consumer Rights Act 2015 (CRA) is of particular relevance to this complaint. It says that under a contract to supply goods, there is an implied term that “the quality of the goods is satisfactory”. To be considered satisfactory, the CRA says the goods need to meet the standard that a reasonable person would consider satisfactory, taking into account any description of the goods, the price and other relevant circumstances. The CRA states that the term “quality” includes fitness for purpose, appearance, freedom from minor defects, safety, and durability.

MotoNovo supplied Mr M with a van that was less than two and a half years old and had travelled just over 13,000 miles. So, although it's fair to say that a reasonable person would expect the van might already have suffered some wear and tear, they'd also expect it to be overall in a good condition and wouldn't expect it to need significant repairs for a considerable period.

It's clear the van has a fault – the first independent report dated 9 November 2024 states that a heavy engine knock was observed, suggesting serious internal wear to engine components.

What's disputed is whether this means the van wasn't of satisfactory quality at the time of supply. I'd expect an engine on a van of this type to last well over 100,000 miles when properly serviced. At the point Mr M's engine failed, the van had only travelled around 34,000 miles and was less than four years old. I'm satisfied a reasonable person wouldn't expect the van's engine to fail at this stage.

Whilst Mr M's mileage was high, it wasn't unusually so, at around 20,000 miles in 16 months. And Mr M's provided us with receipts demonstrating that he took the van into his local garage for an oil and filter change within a few weeks of acquiring it, then subsequently bought ten and then a further five litres of oil to keep in the van so that he could keep the levels topped up. So I think it's likely Mr M did keep the van topped up with oil as required.

In summary, I've not seen any evidence to suggest Mr M didn't appropriately maintain the van – on the contrary, he took the van for a service within a few weeks of acquiring it, bought oil on two occasions with which to top up the van, and took the vehicle to the manufacturer for investigation under warranty because it didn't appear to be behaving as it ought.

MotoNovo have argued that the independent expert said there was no evidence that the engine faults were pre-existing at the point of sale. But the independent expert's reports are inconclusive about the root cause of the problems – the first said the expert couldn't be sure whether there was a fault in the oil pump or driver error. And the second didn't conclude on this point but said it appeared Mr M had been keeping the oil levels topped up as required.

MotoNovo have also provided evidence that the van was checked before it was supplied to MotoNovo and no faults were found. But this checklist and associated job sheet say a full oil and filter change was carried out, just days before the van was supplied to Mr M. Mr M said he wasn't sure whether the van had been serviced, so when he got a "top up engine oil" warning light within a month of acquiring the van, he asked his local garage to change the oil and filter, which they did on 23 June 2023. And then, less than three weeks later, Mr M had another warning from the van telling him to top up the oil. My understanding is this warning would usually appear when the oil level has dropped by around one litre. Whilst I haven't seen evidence of Mr M's mileage at this point, it seems he averaged around 250 to 300 miles per week. These figures suggest that from the outset the van was using significantly more oil than the manufacturer's suggested maximum of half a litre per 600 miles.

Taking everything together, I'm satisfied Mr M's van wasn't of satisfactory quality at the time of supply. I've seen no evidence that he hasn't properly maintained the van, and yet the engine needs replacing after the van's travelled only 34,000 miles. Although the independent expert hasn't identified the root cause, it seems more likely than not that the van was consuming excessive oil from when Mr M first acquired it.

Putting things right

MotoNovo supplied Mr M with a van that was of unsatisfactory quality. He first complained about the van in October 2023, which gave MotoNovo the opportunity to repair the van. MotoNovo didn't repair the van, but the dealership suggested he contact the manufacturer who carried out repairs under warranty. Mr M later said he wanted to reject the vehicle. Given the time that's passed, and that MotoNovo have already had an opportunity to carry out repairs, I think it's fair for Mr M to be able to reject the van and receive a refund of his deposit of £4,398.

Mr M hasn't used the van since September 2024. So it's fair that MotoNovo refund any payments he's made since then.

Mr M's incurred a number of costs associated with the van. He paid £220 for a service, £180 for a new battery and £130.02 for oil. He also paid £30 for a diagnosis from his local garage, £195 for each of the independent expert's two reports, and £864 for the van to be moved, the engine partially stripped, and the injectors tested. He's also told us he had to hire another vehicle so that he can continue working.

I've considered the extent to which MotoNovo should reimburse Mr M for these costs. I haven't seen any suggestion that the battery was faulty when the van was supplied to Mr M. And it's not unusual for batteries to need replacing. So I don't think MotoNovo need to reimburse the cost of the battery. I also don't think they need to reimburse the cost of hiring another vehicle – because they'll be refunding all of Mr M's payments for

the time he's been without the use of his van, and I've not seen evidence that he's had to spend more than this on hiring an alternative vehicle.

I do think MotoNovo should refund Mr M the cost of the inspections, both by his local garage, and by the independent expert, as well as the cost of stripping the engine and testing the injectors – which the independent expert said needed to be done. And I think MotoNovo should refund the cost of the oil Mr M's bought – because the fault with the van seems to be directly related to the oil consumption. I also think it was reasonable for Mr M to take the van to his local garage to get the oil levels checked in the first instance because it was so soon after he acquired the vehicle. So, I think it's reasonable that MotoNovo cover the cost of this oil and filter change.

Mr M's also suffered distress and inconvenience as a result of being supplied with a vehicle of unsatisfactory quality. He said he's had to hire another vehicle and had to stop work for a period and therefore has suffered financially. And it's clearly a frustrating and upsetting situation. Overall, I'm satisfied it's fair for MotoNovo to pay him £250 compensation for this."

MotoNovo accepted my provisional decision, and Mr M didn't reply.

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.

As neither party provided any comments or evidence in response to my provisional decision, my final decision is unchanged from my initial findings as set out above.

My final decision

As I've explained above, I'm upholding Mr M's complaint. MotoNovo Finance Limited need to:

- End the agreement with nothing further to pay and collect the van at no cost to Mr M;
- Refund to Mr M his deposit of £4,398 (if any part of this deposit was made up of funds paid through a dealer contribution, MotoNovo is entitled to retain that proportion of the deposit);
- Refund any payments Mr M has made since 24 September 2024;
- Reimburse, upon proof of payment:
 - £220 in respect of the service
 - £130.02 in respect of the oil purchased
 - £30 in respect of the local garage diagnosis
 - £195 for each of the independent expert's reports
 - £864 for the stripping of the engine directed by the independent expert;
- Pay Mr M 8% simple interest per year* on all refunded amounts, from the date of payment to the date of settlement;
- Pay Mr M £250 to reflect the distress and inconvenience the unsatisfactory vehicle caused; and

- Arrange to remove from Mr M's credit file any adverse information recorded in relation to the agreement.

*If MotoNovo consider tax should be deducted from the interest element of my award they should tell Mr M how much they've taken off. They should also provide Mr M a certificate showing how much they've taken off if he asks for one so that he can reclaim that amount if he is eligible to do so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 24 July 2025.

Clare King
Ombudsman