

The complaint

Mr E complains about a car supplied under a hire purchase agreement, provided by MotoNovo Finance Limited.

What happened

Around October 2023 Mr E acquired a used car under a hire purchase agreement with Motonovo. The car is listed with a cash price of £16,345 on the agreement, was around four and a half years old and had covered around 79,740 miles. Mr E paid a deposit of £2,000 and was due to make repayments of £340.10 a month for 60 months.

Unfortunately, Mr E says the car developed issues. It required some minor work and repairs to the battery, sensors and coolant system before it then broke down in July 2024. Mr E took the car for a diagnostic at a garage who said that the car had a potential head gasket issue and needed a replacement engine.

Mr E complained to Motonovo. It issued its final response at the end of July 2024. This said, in summary, that Mr E would need to provide evidence that the faults were present or developing at the point of supply. It said currently it had no evidence of this and so it wasn't upholding the complaint.

Mr E then says when the issues were being investigated, it was discovered that the car's engine had been replaced, but this wasn't recorded on the V5 document. Mr E says this means the car didn't match its description when he got it as he was never informed of this. And he said the issue meant the car was incorrectly registered with the DVLA.

He wrote to Motonovo in September 2024 and explained the situation with the engine replacement. Mr E said he was told by Motonovo that this didn't change what it set out in its final response.

Mr E remained unhappy and referred the complaint to our service in October 2024. He said he'd been left with a car which was undrivable, and he'd been told it would cost over £12,000 to repair. He said he wouldn't have bought the car if it had been disclosed that its engine was replaced and said it was not as described.

Mr E said the car had covered around 89,000 miles when it broke down and said it hadn't been driven since. Mr E said this situation had impacted his finances in a negative way.

Our investigator issued a view and didn't uphold the complaint. He said, in summary, that he didn't think the faults the car developed meant it was of unsatisfactory quality. And he said he thought the supplying dealer didn't tell Mr E a false statement of fact about the car and so said the car wasn't misrepresented to Mr E.

Mr E disagreed. In summary, he said the car didn't meet a description given as the engine was incorrectly recorded on the V5 document. And he said he had a right to reject the car under the Consumer Rights Act 2015 ('CRA').

As Mr E remained unhappy, the complaint was passed to me to decide.

I sent Mr E and MotoNovo a provisional decision on 7 August 2025. My findings from this decision were as follows:

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Having done so, I initially think this complaint should be upheld. I'll explain why.

I should explain to both parties that I might not comment on every piece of evidence, nor every individual point raised. In particular, Mr E has written in significant length about the issues and has raised a lot of things to consider. I want to reassure Mr E and Motonovo that I've carefully thought about all of the information and everything said by both parties. But, I'm going to focus my decision on what I think are the key facts and the crux of the complaint. This reflects the informal nature of our service.

Mr E complains about a car supplied under a hire purchase agreement. Entering into regulated consumer credit contracts such as this as a lender is a regulated activity, so I'm satisfied I can consider Mr E's complaint against Motonovo.

I think there are two main things to consider in this case. I need to decide whether the car was of satisfactory quality when supplied, and whether it was misrepresented or misdescribed to Mr E.

There is a common thread between these questions, which is the engine replacement. So, I'll briefly cover this off before going into detail on the other points as there are a couple of key findings to make here.

I'm satisfied that Mr E's car did come with an engine that was not recorded on the V5 and was not registered with the DVLA. I say this as Mr E has been very consistent with his testimony here, he's sent in photos and he's provided testimony from a mechanic that states:

"Upon physical inspection of the engine, I located the aluminium engine block plate and confirmed that the only clearly identifiable stamp reads:

(number)

This number does not match the engine number recorded on the vehicle's V5C, which is:

(different number)

Additionally, I found a manufacturer's cast date stamp on the engine block which reads:

38 / 22

This is a standard automotive date code, which indicates that the engine block was manufactured in week 38 of the year 2022 (late September 2022).

Since the vehicle was registered in May 2019, it is clear that the current engine was not present in the car at the time of registration."

So, from this it appears Mr E's car came with an engine manufactured after the car was registered – so at some point it must have had the original engine replaced.

It's also a key point to note that I've not seen any other information about the replacement.

This means I don't know when it was performed, why, or – crucially – what condition the engine was in when it was fitted.

I have considered whether the engine was replaced while Mr E had the car. While I accept this is not impossible, I don't think it's likely.

Having thought about this, I've gone on to consider the other key parts of Mr E's complaint.

Was the car of satisfactory quality?

When considering what's fair and reasonable, I take into account relevant law, guidance and regulations. The CRA is relevant to this complaint. This says, in summary, that under a contract to supply goods, the supplier – Motonovo here – needed to make sure the goods were of 'satisfactory quality'. The CRA explains that the durability of goods can be considered as part of whether they are of satisfactory quality or not.

Satisfactory quality is what a reasonable person would expect, taking into account any relevant factors. I'm satisfied a court would consider relevant factors, amongst others, to include the car's age, price, mileage and description.

So, in this case I'll consider that the car was used, was around four and a half years old and cost around £16,000. This means I think a reasonable person would not have the same expectations for it as a newer, less road worn model. But, I still think they would expect it to be in at least reasonable condition and would expect trouble free motoring for at least some time.

It doesn't seem in dispute that Mr E's car suffered a catastrophic failure. I've seen an invoice dated 22 July 2024 that states:

"Suspect headgasket failure allowing gases and coolant to mix."

"Requires new engine"

So, it follows this that I'm satisfied Mr E's car suffered from a failed head gasket that led to the car needing a new engine.

I've considered whether this fault was present or developing when Mr E got the car. But I'm satisfied it wasn't. I think it's clear Mr E couldn't have driven the car for around nine months and covered around 9,000 miles if this was the case.

I've then gone on to consider whether the car was durable. And it's here where the very specific circumstances of the case muddy the water somewhat.

On an initial view thinking about the basic facts, I'd consider that a headgasket failing at under 90,000 miles would be somewhat premature. And I would say that requiring a replacement engine at this age and mileage would be, at the very least, unlucky. But I'm not persuaded in general terms that I would consider this meant the car wasn't durable given its age and mileage.

But as I found above, this car didn't have its original engine and at some point in the past, post September 2022, this had been replaced. So, I need to consider, given this would mean the car needed a further replacement engine less than two years later, what this means.

The situation is further complicated by the fact that I don't know if the engine was new, reconditioned or significantly used. So I've had to think about things in general terms.

What I know for sure is that Mr E was supplied with a car that had an engine in it that was, at the most, around a year old. Less than one year after this, and after the car had covered less than 10,000 miles since he acquired it, it suffered a failure than meant it needed another replacement engine.

In other words, an engine that was less than two years old needed replacing, meaning Mr E's car would be on its third engine in only around six years. And I find this means the car wasn't durable.

It follows I find it was not of satisfactory quality when supplied.

Was the car misrepresented or misdescribed to Mr E?

Mr E has made the argument that the car was misrepresented to him. I would consider a misrepresentation to have taken place if a 'false statement of fact' was made that induced him into entering into the contract when he otherwise would not have.

It's also worth noting that the CRA explains that goods must match a description given.

Section 56 of the Consumer Credit Act 1974 explains under the circumstances of this case that Motonovo are liable for what the dealer told Mr E before he entered into the contract.

I've firstly considered whether Mr E was told a false statement of fact about the engine. When thinking about this, I need to consider what Mr E was told, not what he wasn't. For example, Mr E made the point that he wasn't told the car had a replacement engine. I don't doubt what he said, but this very likely wouldn't be a misrepresentation.

I haven't seen any evidence Mr E was told the car had its original engine. Assuming the dealer was unaware, this would be a somewhat odd statement to make when discussing things. And I haven't seen the car was advertised with its original engine either.

I think the same thing can be said when considering whether the goods matched a description given. I'm satisfied that the car wasn't described as having its original engine – neither in the advert nor likely to Mr E by the dealer.

I do think however there is an argument to be made in relation to both the above points when considering the car's V5 document. I'm satisfied this did have the incorrect engine number recorded on it. And so it may seem this could be taken to be a description or a statement of fact.

On one hand, the V5 is a document that Mr E might have seen before he entered into the contract. I could see an argument to be raised here that this would mean Mr E was given incorrect information about the engine number. But, on the other hand, I don't know what happened at the time. I'm reasonably confident Mr E would've been given the 'new keeper slip' – but this would not have had the engine number on it. So it's very finely balanced as to what this means.

I would then need to consider what Mr E would've done at the time if he had realised the engine number was incorrect. I appreciate his strength of feeling about this now, but I need to consider this is of course with the benefit of hindsight. And I at least think it's possible he may have considered still taking the car if he knew the engine was significantly younger.

Thinking about all of this, there are no easy conclusions to draw here. I will say I can understand Mr E's frustration with the situation. But I also appreciate the dealer nor Motonovo was likely aware of the issue with the engine – although I should make it clear

they could still misrepresent or misdescribe the goods even if this was the case.

Considering all of this, any findings here don't affect what I've set out above about the car being of unsatisfactory quality. If I was to find the car was not as described or misrepresented, it would ultimately not affect the outcome of the complaint nor the redress due.

Things are very finely balanced here. But, as things stand, I'm satisfied I don't need to make any firm findings about this issue to reach a fair and reasonable outcome to the complaint.

Putting things right

As I've explained above, I'm satisfied Mr E's car wasn't durable. This means he has certain remedies available to him under the CRA. Generally speaking, Mr E would have the right for the car to be repaired. But I'm conscious of a few things when considering this.

I've had in mind if the car was repaired and the engine replaced, this would be (at least) the third engine the car has had. I think it's possible there's some underlying issue here that would remain and so the car would not be put right. I've also had in mind that the CRA explains repairs should be carried out in a reasonable time and without significant inconvenience to Mr E – but given the car broke down around a year ago, clearly this isn't the case. And finally, I've thought about the fact that a repair at this stage would very likely not be economically viable, given Mr E has provided a quote for over £12,000.

That means of the other remedies available to Mr E I think he should now be allowed to reject the car. He's explained he has not used it since 19 July 2024, so I think Motonovo should reimburse all payments made to the agreement past this point. But I think it's fair it retains all monthly repayments prior to this.

Mr E has provided invoices for various work and repairs to the car for £392.43 from 11 May 2024 and £159 from 12 June 2024. I've thought about the fact that these repairs were close to the failure date and so Mr E won't have ongoing benefit from these.

But, these invoices are handwritten and without VAT details or other information. There also appears to be some crossover between what one of these invoices charged for and an earlier receipt Mr E provided that appeared to have already been paid. So, without further evidence I don't think it would be reasonable for Motonovo to reimburse these.

I've thought about the earlier repairs. But these were relatively minor. I don't think these mean the car was of unsatisfactory quality. And Mr E did get some benefit from these. So Motonovo doesn't need to take any action here.

Mr E has provided a receipt from the diagnostic of the failure for £168 from 22 July 2024. I think it's fair this is reimbursed.

I also think Mr E has suffered distress and inconvenience because of what happened. I think it must have been upsetting for him to realise the car had a replacement engine and for it to suffer a major failure when it did. I've also had in mind this situation has been going on for some time now and Mr E has had to spend time and effort sorting things out. I find it reasonable Motonovo pay Mr E £350 to reflect what happened.

Other issues

Mr E later raised how Motonovo treated him with regards to the payments due under the agreement. I appreciate our investigator responded to Mr E here with his thoughts, but I

haven't seen this was raised with MotoNovo. So, I'm satisfied this issue does not form part of this complaint and so I am not making any findings nor commenting further on this.

I gave both parties two weeks to come back with any further comments or evidence.

Mr E responded and said he accepted the decision.

After initially requesting an extension, MotoNovo came back with some further comments for me to consider.

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 carefully thought about what MotoNovo said in response to my provisional decision.

In summary, MotoNovo said there was no documentary evidence about why or when the engine was replaced. It said it was a significant assumption that this was before Mr E acquired the car.

MotoNovo said my finding that the car wasn't durable relied on general reasoning rather than technical or independent expert evidence. It pointed out there was no independent report confirming the cause of failure.

MotoNovo said the decision relied heavily on circumstantial reasoning. It said the findings should be supported by technical evidence. And it said the complaint shouldn't be upheld without further evidence.

I can understand the points MotoNovo makes here, and I want to reassure it I've carefully thought about this. And I agree there is a lack of independent evidence to show exactly what happened. But respectfully, this is in part because MotoNovo didn't gather nor provide this.

Where there is a lack of evidence, I need to base my decision on probabilities and reach my conclusions based on what I think most likely happened. This is what I have done in this case.

Having thought about everything again, I still think this complaint should be upheld. This is for the same reasons I explained in my provisional decision and set out above.

My final decision

My final decision is that I uphold this complaint. I instruct MotoNovo Finance Limited to put things right by doing the following:

- end the finance agreement ensuring Mr E is not liable for monthly rentals after the point of collection (it should refund them any overpayment for these if applicable);
- take the car back (if that has not been done already) without charging for collection;
- reimburse Mr E's deposit of £2,000 from 2 October 2023*;
- reimburse all payments to the agreement post 19 July 2024*;
- reimburse the cost of the diagnostic, £168 from 22 July 2024*;

- pay Mr E £350 to reflect what happened; and;
- remove any adverse information from Mr E's credit file in relation to this account

*These amounts should have 8% simple yearly interest added from the time of payment to the time of reimbursement. If Motonovo considers that it's required by HM Revenue & Customs to withhold income tax from the interest, it should tell Mr E how much it's taken off. It should also give Mr E a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue and Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 6 October 2025.

John Bower
Ombudsman