

The complaint

Ms M complains about the quality of an electric vehicle (EV) she acquired through a hire purchase agreement (HPA), financed by MotoNovo Finance Limited (MotoNovo).

What happened

In September 2023, Ms M acquired a used EV through a HPA, financed by MotoNovo. The cash price was £17,338.

In March 2024, Ms M complained to MotoNovo about charging issues she was experiencing.

As part of MotoNovo's investigation, an independent engineer was instructed to inspect the EV. The inspection was carried out in May 2024 with the mileage at the time noted as being at around 16,850. The report noted the mileage at the time of purchase as having been 14,285, the failure to have occurred in March 2024 and the mileage at the time of the failure as being around 15,000.

In summary, the engineer's report concluded that after the completion of a road test, the range and charge capacity at the time was sufficient. The report concluded that *'The vehicle was considered to be fault free'* and as such, the engineer considered the vehicle to have been durable during Ms M's ownership. Based on the engineer's report, MotoNovo didn't uphold Ms M's complaint.

In July 2024, Ms M's EV broke down and was immobile with multiple warning lights illuminating on the dashboard. Following diagnostics work and repairs carried out by a manufacturer dealership over the following nine months, the EV was found to have a defective high-voltage battery (DHVB). The dealership advised Ms M that symptoms of a DHVB include losing range and experiencing charging difficulties and therefore it was likely the faults previously experienced were caused by it.

Ms M complained to MotoNovo again, but she was told as the issues experienced were reported six months or more after purchase, she'd need to provide her own independent engineers report showing the faults with the EV; and that the faults were present or developing at the time of the sale.

Ms M refused to pay for a further independent engineer, saying if the necessary checks had been done in the first place, she wouldn't be in the position she now found herself in. Instead, Ms M referred her complaint to the Financial Ombudsman Service.

One of our Investigators looked into things but said she couldn't safely conclude the EV was supplied with a present or developing fault which resulted in the fault it went on to suffer.

Ms M provided further evidence, in the form of an independent engineer's report completed by a professional qualified in the diagnosis, testing and repair of EVs.

After reviewing the further evidence provided, our Investigator said she didn't think Ms M had been supplied with a vehicle that was durable and because of this, she said Ms M had been

supplied a vehicle that most likely wasn't of satisfactory quality.

Our Investigator said while Ms M has still been able to drive the EV prior to it breaking down, her use had been impaired by the charging issues she faced so she should receive 10% of the repayments paid plus interest, to compensate her for this.

Our Investigator said while the EV had been off the road, Ms M had been kept mobile and as the EV had since been fixed and sold, she didn't think MotoNovo needed to refund any payments after the EV went into the garage for repair. But to recognise the overall distress and inconvenience caused, our Investigator said MotoNovo should also pay Ms M £150.

Ms M didn't accept our Investigator's opinion saying the suggested 10% refund for impaired use, grossly underestimates the financial and personal impact of the issues. She also said the compensation for distress and inconvenience was inadequate given the prolonged disruption, stress and financial hardship she faced and that the dealerships offer to buy back the EV was to settle the finance and cannot be considered double compensation.

MotoNovo said after review, they also disagreed with our Investigator's opinion but didn't provide a reason as to why.

Because an agreement couldn't be reached, this complaint has come 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.

Having done so, I'm upholding this complaint and for much the same reasoning as our Investigator. I'll explain why.

But first, I'm aware I've summarised this complaint in far less detail than has been provided, and I've done so using my own words. No discourtesy is intended by this. Instead, I've concentrated on what I think are the key issues here. Our rules allow me to do this.

This reflects the nature of our service as an informal alternative to the courts. If there's something I've not mentioned, it isn't because I've ignored it, I haven't. I'm satisfied I don't need to comment on every detail or address every point to be able to reach what I think is the right outcome in the circumstances of this complaint.

As this complaint concerns the quality of goods, in this case a used EV, supplied through a regulated HPA Ms M entered into, I'm satisfied this is a complaint we can consider.

In considering what's fair and reasonable, I need to have regard to the relevant law and regulations. The Consumer Rights Act 2015 (CRA) is relevant to this complaint. It says that under a contract to supply goods, there is a statutory right for the goods to be of satisfactory quality. It's important to say in this case, the CRA specifically states durability is an aspect considered when assessing if goods are of satisfactory quality.

To be considered satisfactory, the goods would need to meet the standard that a reasonable person would consider satisfactory – taking into account any description of the goods, the price and all other relevant factors.

Here, Ms M acquired a used EV which had covered 14,285 miles and cost around £17,400. So, while I think a reasonable person would not have the same expectation of quality in comparison to a brand-new model, which had zero mileage, I still think they would expect

the EV to be free from any major defects and would expect trouble free motoring for both some time and distance.

From the information I've been provided with, I'm persuaded there was a fault with the EV. So, having been satisfied the EV had a fault, I'll now consider if it was of satisfactory quality at the time it was supplied to Ms M.

Satisfactory quality

My starting point is that I'm aware the initial independent engineer's report deemed no fault to be found with the EV. But in the circumstances of this case, I'm not persuaded this is the case. I'll explain why.

The EV went on to suffer a complete break down around two months after the inspection was completed. The cause of the breakdown was found to be due to a DHVB, a fault which the manufacturer dealership who repaired the EV confirmed the symptoms of include the issues Ms M previously raised and were therefore likely the cause of them.

It's important for me to note, I'm not saying I think MotoNovo were wrong to rely on the report they were provided. It was provided by an industry recognised firm of automotive inspection providers, and I'm satisfied the report provided the results found, based on the tests carried out at the time. Rather in the circumstances here, I'm persuaded by the further report Ms M provided, alongside the evidence of the fault the EV went on to suffer in July 2024.

The subsequent report states:

- *'The vehicle was first registered on 3 June 2021, so (at the time of the sale) its battery was still expected to last another 69 months and/or 85,175 miles at the very least.'*
- That just two months after the initial report, the EV broke down, with the manufacturer concluding that *'a replacement high voltage battery was required "due to an internal fault" almost 5 years short of its warranted life expectancy.'*
- The battery *'could not possibly have failed due to wear and tear, nor was it likely to be free from even minor defect at the time of sale according to your experience' and 'the battery - and so the vehicle still was not sufficiently durable as you should reasonably expected for it to have been at time of sale, in my view, or it would have lasted at least the warranty period.'*

So, on balance, I'm satisfied Ms M experienced charging issues with the EV very soon after taking delivery. And I don't think it's reasonable for her to have expected to face such issues so soon after entering into the agreement. As such, I'm satisfied the EV wasn't of satisfactory quality when it was supplied to her.

Following a replacement battery being fitted in the EV, Ms M says a new issue arose in the form of a water leak between the roof and the windscreen. After this fault was repaired, the EV was returned to Ms M but due to the faults, she lost all confidence and registered it SORN until the vehicle was sold back to the manufacturer and the finance agreement was settled.

So here, I'm satisfied for the period Ms M had use of the EV prior to it breaking down in July 2024, it wasn't performing to the standard Ms M ought reasonably to have expected it to. So, I don't think it's fair she should pay her repayments in full for that time, to reflect the impaired

used she had.

I can't be sure exactly what the extent of the inconvenience to Ms M was, nor can I quantify the exact additional cost the charging issues meant she incurred. I have to think about the impact in the whole, and having done so, I'm satisfied a refund of 10% of her payments is fair here.

From July 2024, when the EV went in for repair, Ms M was in possession of a courtesy vehicle for the full period until her EV was repaired and returned. Ms M has confirmed she was initially provided a vehicle of a similar size to hers but then later was provided a smaller vehicle which caused her some inconvenience. Having thought about this and also keeping in mind Ms M has been unable to provide the dates of when she had each vehicle, I'm satisfied she was kept mobile and as such, I think it's fair she was liable to pay any repayments due during that time in full.

Ultimately, the EV was returned to Ms M fully repaired around April 2025. And while I understand why Ms M might not have had any desire to continue driving it after having experienced the issues she had, I wouldn't expect MotoNovo to have done any more here.

Put simply, the EV was returned to Ms M fully repaired, Ms M chose not to continue driving it and I've not seen any evidence her decision was as a result of those repairs failing. Ms M then agreed to sell the vehicle back to the manufacturer, an arrangement MotoNovo weren't involved in reaching.

But I do think being without the van she acquired under the agreement for such a period of time would have no doubt caused Ms M distress and inconvenience and I think she should be compensated for this. Having thought about this, and keeping in mind I don't think MotoNovo did anything wrong by relying on the initial report they received, I am satisfied £150 is fair and reasonable in the circumstances here.

For clarity, I'm upholding this complaint and while I understand my decision is likely to disappoint both parties to this complaint, I'll now set out what I think MotoNovo need to do to put things right.

Putting things right

As I've concluded Ms M was provided with an EV that wasn't of satisfactory quality when it was supplied to her, it's fair MotoNovo put things right for her. For the reasons I've explained, to put things right MotoNovo should:

- Pay Ms M a refund of 10% of all rentals paid from the inception of her HPA until the EV broke down in July 2024.
- Pay interest at 8% simple per year* on all payments refunded to Ms M from the date of each payment until the date of settlement.
- Pay Ms M £150 in compensation for distress and inconvenience.

*HM Revenue & Customs requires MotoNovo to deduct tax from the interest payment referred to above. MotoNovo must give Ms M a certificate showing how much tax it's deducted if she asks them for one.

My final decision

My decision is that I uphold Ms M's complaint and instruct MotoNovo Finance Limited to

settle the complaint in line with what I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M to accept or reject my decision before 25 March 2026.

Sean Pyke-Milne
Ombudsman