

The complaint

Miss H is unhappy that a car supplied to her under a hire purchase agreement with MotoNovo Finance Limited was of an unsatisfactory quality.

What happened

In August 2024, Miss H was supplied with a used car through a hire purchase agreement with MotoNovo. She paid an advance payment of £6,145 and the agreement was for £3,145 over 60 months; with 59 monthly payments of £69.47 and a final payment of £70.47. At the time of supply, the car was around six years old and had done 62,525 miles (according to the agreement).

On 6 December 2024, when Miss H was travelling with a family member, the engine management light came on, which was followed shortly afterwards by a failure in the clutch and brakes. The car coasted to a stop, by which time there was visible smoke coming from under the bonnet. Within minutes the car was engulfed in flames and was destroyed by fire.

The car was written off by Miss H's insurers. The insurer's engineer's report, dated 19 December 2024, was based on photographs of the car taken in a salvage yard. The engineer confirmed the destruction by fire and valued the car for insurance purposes.

Miss H complained to MotoNovo about what had happened, saying she thought the fire had been caused by a fault that was present or developing when the car was supplied. MotoNovo arranged for the car to be inspected by an independent engineer. Their report was dated 6 March 2025 and, like the insurer's report, was based on photographs only.

The independent engineer said the car passed a vehicle health check on 21 May 2024, and an MOT on 1 August 2024 with no advisories. The engineer felt the hotspots around the battery area and steering wheel indicated a potential electrical fault as the source of the fire, going on to list the potential causes of electrical fires in vehicles. They said there were no indicators of any pre-existing faults, and said that, had a fault been present at supply, it would most likely have manifested itself sooner.

Concluding that *"there is insufficient evidence to confirm an underlying fault at the point of sale"* and that a full forensic fire examination was unlikely to provide any additional relevant findings, the engineer also noted that *"the insurer has accepted liability, treating this as an insured event rather than an underlying pre-existing fault."* Based on this report, MotoNovo didn't uphold Miss H's complaint.

Unhappy with this response, Miss H brought the matter to the Financial Ombudsman Service for investigation. After reviewing the evidence, our investigator didn't think there was anything to show that a pre-existing fault had caused the fire. So, they didn't think MotoNovo needed to do anything more.

Miss H didn't agree with the investigator's opinion. She said the fire occurred within the first six months, so MotoNovo were responsible unless they could prove the car was fault free

when it was supplied. Which they hadn't done. So, she asked that this matter be passed to an ombudsman 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've reached the same overall conclusions as the investigator, and for broadly the same reasons. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome. Where evidence has been incomplete or contradictory, I've reached my view on the balance of probabilities – what I think is most likely to have happened given the available evidence and wider circumstances.

In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and (if appropriate) what I consider was good industry practice at the time. Miss H was supplied with a car under a hire purchase agreement. This is a regulated consumer credit agreement which means we're able to investigate complaints about it.

The Consumer Rights Act 2015 ('CRA') says, amongst other things, that the car should've been of a satisfactory quality when supplied. And if it wasn't, as the supplier of goods, MotoNovo are responsible. What's satisfactory is determined by things such as what a reasonable person would consider satisfactory given the price, description, and other relevant circumstances. In a case like this, this would include things like the age and mileage at the time of sale, and the vehicle's history.

The CRA also implies that goods must conform to contract within the first six months. So, where a fault is identified within the first six months, it's assumed the fault was present when the car was supplied, unless MotoNovo can show otherwise. So, if I thought the car was faulty when Miss H took possession of it, and this made the car not of a satisfactory quality, it'd be fair and reasonable to ask MotoNovo to put this right.

The basic facts of this case aren't disputed – the car was destroyed by fire and Miss H's insurer accepted this as an insured event, paying out on the claim. However, what does remain in dispute is what caused the fire, with Miss H believing this was due to a fault that was present or developing when the car was supplied to her.

I've seen a copy of the insurer's report, dated 19 December 2024, and noted this doesn't speculate on the cause of the fire. However, as the insurer accepted this as an insured event, it's reasonable to conclude the insurer didn't consider the fire to have been caused by a pre-existing fault – had this been the case, it's unlikely they would've paid the claim.

I've also seen a copy of the independent engineer's report dated 6 March 2025. I've noted the engineer confirmed their duty is to the courts, not to the person who instructed or paid for the report. As such, I'm satisfied this report is reasonable to rely upon. I also don't think it was unreasonable for the engineer to rely on photos – this was exactly what the insurer's engineer did and, if they thought a full forensic fire examination of the car was required, then the insurer would've asked for this *before* paying out the claim.

The independent engineer suspected the fire was caused by an electrical fault, and these can occur at any time due to the failure of various components. The actual mileage at the time of the fire is unknown, but Miss H was able to drive the car for a number of months before the fire. And the independent engineer said that, had there been an electrical fault at the point of supply, then the failure of the car would most likely have happened sooner.

As I've said above, and as Miss H has referred to in her comments, if the car develops a fault within six months of supply, the CRA assumes it was present when the car was supplied, unless MotoNovo can show otherwise. As I've also explained, the burden of proof I'm looking for is what is more likely than not, and not the higher burden of beyond reasonable doubt.

While I appreciate Miss H won't agree with me, I'm satisfied that the two reports I've referred to above show that it's more likely than not that the fire wasn't caused by a fault that was present or developing when the car was supplied, and instead was caused by some electrical failure, which could've happened at any time given the age and mileage of the car supplied to Miss H.

As such, I don't think MotoNovo are liable for whatever caused the fire, and I won't be asking them to do anything more.

My final decision

For the reasons explained, I don't uphold Miss H's complaint about MotoNovo Finance Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 2 December 2025.

Andrew Burford
Ombudsman