

The complaint

Mr K complains about the quality of a vehicle that was supplied through a hire purchase agreement with MotoNovo Finance Limited (MotoNovo). Mr K is also not happy about a warranty product he was given and with attempts made to repossess the vehicle.

What happened

In April 2024, Mr K acquired a used car through a hire purchase agreement with MotoNovo. The car was around four years and five months old and had travelled 62,460 miles when it was supplied. The cash price of the car was £12,494. A deposit of £300 is listed, so the total amount financed on the agreement was £12,194 payable over 59 monthly repayments of £277.99 followed by a final repayment of £278.99.

In September 2024, Mr K complained to MotoNovo about the problems he experienced with the traction control system and the tyre pressure monitoring system. He also complained that he was mis sold a warranty product. Mr K said when he attempted to use the warranty, he had to pay a diagnostic fee which he wasn't aware of. However, Mr K was told that the diagnostic fees were payable after the first three months of having the product.

In November 2024, MotoNovo issued a final response relating to the faults Mr K reported. It confirmed an independent inspection of the car was arranged and carried out in November 2024, confirming there were no traction issues with the car and the tyre pressure only required resetting.

In December 2024, MotoNovo issued a final response relating to the warranty product. In summary it said the terms of the warranty advised the diagnostic fees were excluded from the cover. However, due to the delays in responding, MotoNovo made a payment off £75 for the inconvenience caused.

Mr K cancelled his warranty product and believed his monthly repayments would be reduced to reflect the cancelled warranty.

In April 2025, MotoNovo issued a further final response about the warranty product, which they didn't uphold. It confirmed Mr K was issued with a prorated refund of £1,500 directly from the dealership. So, they were unable to reduce his monthly repayments further as he'd already received his refund.

Unhappy with their decision Mr K brought his complaint to our service where it was passed to one of our Investigators to look into.

In July 2025, Mr K confirmed to the Investigator that he stopped making repayments to his agreement partly due to the issues with the vehicle.

In August 2025, the Investigator issued their view, which recommended that Mr K's complaint should not be upheld. In summary the Investigator concluded that despite some faults existing, the car was of satisfactory quality due to its age and mileage when supplied, the warranty terms explained that diagnostic costs weren't included, and that Mr K had

already received the refund for the cancelled product, so they considered MotoNovo had acted fairly.

Mr K didn't accept the Investigator's view and so the complaint was referred to an ombudsman for a final decision.

Whilst the complaint was awaiting allocation to an ombudsman, Mr K raised another concern with MotoNovo about their attempt to repossess his car. MotoNovo also consented to our service considering the complaint alongside Mr K's existing concerns.

MotoNovo issued their final response to this complaint in October 2025, which they didn't uphold. In summary it said Mr K hadn't made any repayments to the agreement since October 2024, and a default notice was issued in April 2025, and the agreement terminated in May 2025. So, they considered it was reasonable that they continue with the repossession of the vehicle.

In November 2025, the Investigator issued their view on Mr K's complaint about the repossession attempt. In summary the Investigator recommended that Mr K's complaint should not be upheld. The Investigator considered that MotoNovo had acted fairly in the circumstances and had notified Mr K about the potential consequences of non-payment.

Mr K didn't accept the Investigator's view and responded to say he considered the repossession was unlawful as he was awaiting an ombudsman decision. He said he wasn't prepared to pay for something that was not fit for purpose or for a warranty he didn't have.

As Mr K didn't accept the Investigator's assessments, all of Mr K's concerns have been referred to an ombudsman to reach a final 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.

In considering what is fair and reasonable, I've thought about all the evidence and information provided afresh and the relevant law and regulations, regulators' rules, guidance and standards, codes of practice and (where appropriate) what I consider to have been good industry practice at the relevant time.

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 K complains about a hire purchase agreement. Entering into consumer credit contracts like this is a regulated activity, so I'm satisfied we can consider Mr K's complaint about MotoNovo. MotoNovo is also the supplier of the goods under this agreement, and is responsible for a complaint about their quality.

The Consumer Rights Act 2015 (CRA) is relevant in this case. It says that under a contract to supply goods, there is an implied term that "*the quality of the goods is satisfactory, fit for purpose and as described*". To be considered as satisfactory, the CRA says the goods need to meet the standard that a reasonable person would consider satisfactory, considering any description of the goods, the price and all the other relevant circumstances.

So, it seems likely that in a case involving a car, the other relevant circumstances a court would consider might include things like the age and mileage at the time of sale and the vehicle's history.

My starting point is that Mr K was supplied with a used car that had travelled 62,460 miles. With this in mind, I think it's fair to say that a reasonable person would expect the level of quality to be less than that of a brand-new car with lower mileage; and that there may be signs of wear and tear due to its usage. Having said that, the car was priced at £12,494 which isn't insignificant. It also wasn't a particularly old vehicle. So, I think it is fair to say that a reasonable person would expect it could be used free from any major issues for a reasonable period of time.

From the information provided I'm persuaded there were faults with the car. This is apparent from the independent inspection report which identified some fault codes relating to battery voltage, power steering control circuit and transmitter ID code. Having considered the car had a fault, I've considered whether it was of satisfactory quality at the time of supply.

satisfactory quality

Mr K raised concerns about the traction control and tyre pressure monitoring sensor. The independent inspection report identified no issue with the traction control system and after resetting the tyre pressure the warning light had gone out. In its conclusion the report said: *"Based on the elapsed time and mileage since sale, there was no reason to suggest that these conditions could have been present or developing at the point of sale, or the responsibility of the selling dealer"*.

Mr K hasn't provided any further evidence that contradicts what the independent report has said, or that there were any other issues with the car that made it of unsatisfactory quality. So, all things considered, I'm persuaded by the conclusions of the report, and it follows that I'm satisfied the car was supplied to Mr K in a condition that was of satisfactory quality.

warranty

Mr K also complained that the warranty was misrepresented to him. He told us that he believes the warranty was mis sold to him because there were hidden costs that he wasn't aware of. Mr K said when he attempted to use the warranty, he was told there was a diagnostic cost which he'd have to pay. Mr K feels this supports his assertion that the product was misrepresented to him.

I would consider a misrepresentation to have taken place if Mr K was told a false statement of fact, that induced him into entering into the agreement when he otherwise would not have.

Mr K provided the Investigator with a copy of the warranty cover which says under the exclusions, that any diagnostic cost incurred wouldn't be cover under the warranty.

In an email to the Investigator dated in August 2025, Mr K said he was told that he just had to call, and any mechanical and electrical fault would be covered. I don't doubt this is the case. However, that doesn't suggest there wouldn't be any applicable fees for him to pay.

I'm satisfied the information was reasonably clear in the terms and that Mr K would have had the opportunity to review them. I've seen no evidence that Mr K was given any false statements and so I'm satisfied from the evidence provided that the warranty product wasn't misrepresented to him.

The dealership confirmed to MotoNovo that Mr K cancelled the warranty product and received a prorated refund of £1,500 because he'd decided to cancel it. Mr K said that payment

should be in goodwill and that he should be able to have his monthly repayments reduced because the warranty amount was included in it.

I acknowledge what Mr K has said here, that if the monthly repayments were increased to include a warranty product it should be reduced as it was cancelled. Mr K suggest this is partly why he decided to stop making the payments towards the agreement.

I've thought about this carefully, however, I don't think MotoNovo are acting unfairly here. Mr K received a prorated refund for the warranty directly from the dealership. Given that was the case, if MotoNovo also reduced the monthly repayments, Mr K would have been refunded twice. So, I think it's reasonable that MotoNovo maintain the monthly repayments as they are. MotoNovo confirmed that had the refunded amount been sent to them directly, they would have been in a position to adjust the monthly repayments.

repossession

Mr K complained that MotoNovo have unfairly attempted to repossess his vehicle despite there being an active complaint ongoing. However, MotoNovo believed they were acting fairly as Mr K had ceased payments on the agreement.

MotoNovo confirmed in a letter to Mr K dated 20 May 2025, that the agreement was terminated and that their next step would be to recover possession of the vehicle. The correspondence went on to explain what it meant for Mr K and what he needed to do.

The Consumer Credit Act 1974 requires businesses to serve notice on a borrower before they can become entitled to take certain actions, including terminating an agreement or recovering possession of any goods. I can see that MotoNovo wrote to Mr K in November 2024, December 2024, April 2025 and September 2025, about the arrears on his agreement. In April 2025, and in June 2025, MotoNovo issued Mr K with a default notice advising his agreement may be terminated and the vehicle repossessed if he failed to repay the arrears by a certain date. This led to the termination of Mr K's agreement and the repossession issue that he complains about.

The terms of the hire purchase agreement say:

'If you do not make your repayments in the correct amounts and on the due dates under your Agreement, then you could face serious consequences.

MotoNovo will also send you a default notice, telling you to pay or put things right by a date specified in the notice. If you do not put things right by the date specified in the default notice, then MotoNovo can:

- *terminate the agreement;*
- *demand immediate payment in full of all sums due under the agreement;*
- *take back the vehicle; and*
- *report your default under the agreement to a credit reference agency"*

Having considered the above I think it's reasonable that MotoNovo would terminate the agreement and seek to repossess the vehicle given they confirmed Mr K hadn't made a payment towards it since October 2024. MotoNovo provided a copy of the statement of accounts which shows this to be the case.

I acknowledge what Mr K has said about there being an active complaint ongoing. However, I don't think that MotoNovo are obliged to pause on their action. Given Mr K hasn't made any

repayments for over a year, I'm satisfied that MotoNovo have acted fairly in the circumstances.

Having considered all the issues raised by Mr K, I don't consider from the evidence provided that MotoNovo have acted unfairly or unreasonably in the circumstances. So I won't be asking them to take any further action in relation to these complaint issues.

My final decision

My final decision is that I don't uphold Mr K's complaint about MotoNovo Finance Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 15 December 2025.

Benjamin John
Ombudsman