

The complaint

Mr P has complained about the quality of a car provided on finance by MotoNovo Finance Limited.

What happened

MotoNovo supplied Mr P with a used car on a hire purchase agreement in December 2022. The cash price of the car was around £11,000 and it had covered around 25,800 miles since first registration in July 2016. The agreement required payments of around £160 for 60 months and a deposit of around £4,000 was paid. The total amount payable was around £13,500.

Mr P said that he had issues with the car straight away. He said it had a really loud exhaust, which was noted on the MOT. He said he was advised to buy a new exhaust, but he didn't have the money to do this. He said he was stopped by the police due to the noise of the car. He said he contacted the selling dealer in October 2023.

Mr P complained to MotoNovo in February 2024. He said that the car was sold without a catalytic converter, and it would fail an MOT. He said he wanted to reject the car and get a refund of his payments and compensation.

MotoNovo said that due to the length of time Mr P had been in possession of the car he needed to supply some independent evidence that the fault was present when the car was supplied. Mr P arranged a report by an engineer I'll call Expert A, and MotoNovo reinvestigated the claim. It said that the report didn't indicate that the fault was present at supply, so it didn't offer to do anything to resolve the complaint.

In addition, it said the car passed an MOT after purchase, and Mr P had replaced the exhaust system himself.

An investigator here considered the complaint. She said that the car wasn't of satisfactory quality when it was supplied. She said that the report indicated that the catalytic converter was missing at supply and had been replaced by a straight pipe exhaust, and she thought it likely this had caused the turbo to fail. She recommended that MotoNovo pay for a repair.

Mr P broadly agreed but asked for further information to be taken into account. He said that he'd been pressured to buy the car. He said that since the car broke down it had affected his mental health, and it had also affected his work because he hadn't been able to get there on time. He'd had to use savings and rely on public transport. He'd also had to borrow money to pay for repairs, and sought compensation for the financial and emotional strain since the car broke down. He said it wasn't until he took the car to a regular garage in April 2023 that he realised the exhaust was illegal.

MotoNovo disagreed, it supplied further evidence from Expert A which it said confirmed there wasn't a link between the missing catalytic converter and the failed turbo. It also provided evidence that Mr P had paid for the exhaust to be replaced which conflicted with the opinion of Expert A.

The case was passed to me to make a decision. I wrote to Mr P, and he supplied evidence of the repairs he completed at a cost of around £4,200. He said that the repairing garage said the car had been remapped. Mr P also confirmed that he's sold the car and settled the finance agreement as he was too anxious to continue driving it.

I issued a provisional decision which said:

I've read and considered the evidence submitted by both parties, but I'll focus my comments on what I think is relevant. If I don't comment on a specific point, it isn't because I haven't considered it, but because I don't think I need to comment in order to reach what I think is the right outcome. This is not intended as a discourtesy but reflects the informal nature of this service in resolving disputes.

Where the evidence is incomplete, inconclusive or contradictory (as some of it is here), I reach my decision on the balance of probabilities – in other words, what I consider is most likely to have happened in light of the available evidence and the wider circumstances.

Firstly, I am very sorry to hear about the difficulties Mr P has described to this service. I can't imagine how he must be feeling but thank him for bringing his complaint.

I need to point out that I am unable to award for long term health issues as a consequential loss. These are known as claims for loss of amenity. If Mr P considers there is a wider claim in relation to his health here, then he might wish to take appropriate legal advice.

Mr P has mentioned that he felt pressured into buying the car. This doesn't seem to have been raised with MotoNovo so I can't deal with that in this decision. If Mr P thinks he was unduly pressurised when he entered into the agreement, he'll need to raise this separately with MotoNovo.

The agreement in this case is a regulated consumer credit agreement. As such, this service is able to consider complaints relating to it. MotoNovo is also the supplier of the goods under this type of agreement, and 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".

The CRA says the quality of goods are satisfactory if they meet the standard that a reasonable person would consider satisfactory taking into account any description of the goods, the price and all the other relevant circumstances. In a case involving a car, the other relevant circumstances might include things like the age and mileage at the time of supply and the car's history.

The CRA says the quality of the goods includes their general state and condition and other things like their fitness for purpose, appearance and finish, freedom from minor defects, safety, and durability.

This is the basis on which I can consider this complaint. I can't consider a complaint about the selling dealer's actions after the car was acquired, or how earlier MOTs were conducted. When Mr P acquired the car in December 2022 the mileage was around 25,800 and the cash price was around £11,000. The car was first registered in July 2016, so by this stage it was around six years old. The mileage at supply was reasonably low considering its age, but it wouldn't be unreasonable to expect the car to be showing some signs of wear and tear, and that might include the underlying components. There would be very different

expectations of it than if it was a brand-new car.

When something goes wrong with a car it isn't automatically something that the finance provider is responsible for. Sometimes the underlying components of a car suffer wear and tear which might mean that they come to the end of their serviceable lifespan during the course of a finance agreement.

As a starting point there would need to be some evidence of what the fault was. And secondly, that the fault renders the car of unsatisfactory quality.

Considering the description of the faults, and the age and mileage of the car, I think it was reasonable for MotoNovo to request further evidence that the car wasn't of satisfactory quality when the car was supplied, when Mr P contacted it.

Mr P was able to drive the car for around 8,800 miles before the car broke down in December 2023. This is important to note as some of the issues may have arisen or become apparent during this time, and they may not have been present or developing at the point of supply.

The report

Mr P commissioned a report from Expert A. The report was carried out in March 2024, and the mileage was around 34,600. The report indicated that there was a failure of the turbo but said that faults of this nature would be due to wear and deterioration and would not be unexpected on a car of this age and mileage. In Expert A's opinion the fault would not have been present when the car was supplied.

The report said that based on the images and information provided the exhaust fault and missing catalytic converter was something that was present when the car was supplied.

Expert A later confirmed that although it thought that the exhaust had been replaced prior to or around the sale date it would not have caused the turbo failure.

The report was written by an independent expert with details of their credentials and a statement to the court.

I understand Mr P has questioned the opinion of Expert A, and our investigator had her own opinion. But as a starting point the expert opinion of the engineer who saw the car is necessary to confirm that there were faults.

The mileage of the car was relatively low for a car this age. So, I've thought about whether the turbo was sufficiently durable. But I also don't have any information about the service history of the car, or how it was maintained by Mr P. The maintenance of a car is an important factor when considering durability. Unfortunately, the history of the car is an unknown risk when buying a used car, but that is usually reflected in the price. The service history, either before or after supply, might be a key factor in what has caused the failure of the turbo.

The exhaust

Expert A indicated that the condition of the exhaust and missing catalytic converter was present at supply. Mr P has explained that although he entered into the agreement on 7 December the car was not actually supplied until 9 December 2022. I can see that an MOT was carried out on 8 December 2022. So, it seems that the MOT was carried out, and passed, before Mr P took possession of the car. Although the MOT had an advisory

“Exhaust noisy (8.1.1(a))” it did pass the MOT. I’m not able to compel witnesses or question whether the MOT was conducted correctly. But I can’t ignore that during an MOT a catalytic converter must be present and functioning for the car to pass. This directly conflicts with what Expert A said which I find concerning. I’ve had to bear in mind that when Expert A saw the car he relied on images and information supplied to him by Mr P and hadn’t actually seen the car before Mr P commissioned his own repair in April 2023.

MotoNovo indicated that Mr P told it he had replaced the exhaust himself. I think it is implying that Mr P had the catalytic converter removed himself. It supplied a receipt from a third-party garage it said replaced the exhaust in April 2023. The receipt confirms the registration of the car and describes the service as “Fit only exhaust”. Mr P has already supplied images of the exhaust on the floor of the garage from April 2023. It’s not clear what work the garage did on the exhaust, but he’s provided evidence that he bought the exhaust himself. Mr P said this was the first time he found out the exhaust was illegal and the third party that sourced the car paid for the repair. I’m not currently persuaded that the evidence supplied by MotoNovo demonstrates that Mr P commissioned the removal of the catalytic converter, just because he’s paid for some work on the exhaust. The receipt doesn’t mention anything other than fitting an exhaust, and Mr P has also supplied evidence of the part he bought. But given the MOT would have checked the presence of the catalytic converter I can’t ignore that, and it directly conflicts with the opinion of his expert report. So, I can’t say that it is more likely that the catalytic converter was missing when the car was supplied.

Modifications and repairs

Mr P has told me he’s now paid for significant repairs to the engine. The repairing garage said the car was remapped. The receipt he’s provided indicates that the ECU needed to have a standard map added during the repair. I’m aware that removing the catalytic converter and remapping a car are often performed together to optimise engine performance. Remapping a car in itself isn’t illegal, and the process doesn’t rely on the catalytic converter also being removed at the same time. So, this for me isn’t conclusive in resolving the discrepancy between what Expert A said and the fact the car passed an MOT at the time it was supplied. It could indicate that the car had undergone some other work to alter its performance, which might in turn have impacted the performance of the car over time, and led to the premature failure of the turbo. But I don’t have enough evidence to show that the modifications were carried out before Mr P acquired the car.

I’d need to see something more definitive which explains that all the modifications happened before Mr P acquired the car, and those modification led to the ultimate significant failure.

I’ve had to bear in mind that repairs to the exhaust were carried out by another third party. In considering all the circumstances I’ve also checked if the advert for the car showed that there was a full service history. This would be important to consider whether the turbo had failed prematurely and wasn’t sufficiently durable. But there was no information in the advert about the service history of the car. Mr P has also told me that he’s now sold the car and settled the agreement, so further enquiries about how the car has been serviced and maintained before Mr P acquired it, and during his possession, aren’t possible.

Summary

There’s a lot of conflicting information and evidence here. I’m not an engineer so I’d need to see something that persuades me that it’s more likely than not, that a fault which made the car not of satisfactory quality, was present when the car was supplied. I’m sorry to disappoint Mr P but I don’t yet have sufficient evidence of that. I’m not saying that something definitely didn’t go wrong, but that I’ve not seen sufficient evidence to persuade me, even on the balance of probabilities that the car wasn’t of satisfactory quality when it was supplied. Given

the length of time the car was in his possession the onus is on him to be able to demonstrate this. Unfortunately, the report he's supplied is inconclusive, in light of the other available evidence which indicates that the catalytic converter was present when the car was supplied.

I wrote to Expert A and asked him to comment on the discrepancy with the catalytic converter, the remap and whether this changed his opinion on whether the turbo had failed prematurely. But even after an extended period he's not responded to my questions. As Mr P commissioned the report, he might be able to instruct his engineer to provide further commentary given what I've said here, and I'll consider it before I make my final decision.

I can understand that Mr P is extremely disappointed that the car had such a significant problem, that wasn't cheap or easy to rectify. And I've considered the recent evidence of the repairs he's had done. But what I have to bear in mind is that just because I've seen there were faults with the car, and that came about around a year after supply, this doesn't necessarily mean the car wasn't of satisfactory quality when it was supplied.

I'm sorry to disappoint Mr P, but without sufficient evidence of a fault which made the car of unsatisfactory quality at the point of supply, I find I don't yet have the grounds to direct MotoNovo to do anything to resolve the complaint.

I know Mr P is unlikely to be happy with this decision. However, my role is to resolve disputes informally, and I can't compel witnesses or evidence. He doesn't have to accept it and may choose (after seeking legal advice as appropriate) to take more formal action against the supplier, such as through a court.

Mr P responded to the decision. He said he had dated video evidence of the noisy car, photos of what was removed from the car when he could afford a new exhaust, and the expert report which cost £250. He questioned what else he could have done, but he was able to get in touch with Expert A and asked him to respond to my enquiries.

MotoNovo responded to the provisional decision. In summary it said:

- The fault was not reported until December 2023 so the burden of proof was not on MotoNovo. The expert report was inconclusive and wasn't carried out until 15 months after supply. The car covered 8,859 miles after supply suggesting no immediate mechanical fault. The car had covered around 40,000 miles when it failed and there was no evidence of a developing fault at supply.
- The car passed an MOT at the point of supply indicating the exhaust system was compliant at that time. There is no evidence to show the catalytic converter was missing or defective at the point of supply.
- Mr P arranged for the exhaust to be replaced in April 2023. Mr P chose and paid for the exhaust system independently. Photo evidence didn't prove the absence of the catalytic converter at the point of supply. If Mr P believed the car was missing a catalytic converter it is unclear why he would fit another system lacking one.
- Expert A had confirmed that a missing catalytic converter would not have caused the issue with the turbo. The report does not support a direct causal link between the missing converter and turbo failure. The supplying dealer and the repairing garage had both stated the absence of a catalytic converter would not in itself cause turbo failure. It was more likely that oil quality, servicing history and driving style were contributors to the failure of the turbo.

Expert A responded to my enquiries. He said *"If the catalytic converter was replaced with a straight pipe and affected the emissions, this could indicate that the catalytic converter would likely to have been removed after the MOT was carried out. We could not conclude that remapping had taking place however, when we carried out a diagnostic scan, we located the following fault code "C0550-43 Electronic control unit – EEPROM incorrect programming – current. U0401-00 Invalid data received from engine control module – malfunction – current". As advised in our report this would indicate a discrepancy with in the ECU and further investigations would be required be a specialist to determine if this is a result of remapping. If a vehicle has been remapped, this could affect the service life of a turbo due to increased boost pressure alongside higher and prolonged operating temperatures, depending on driving styles placing the turbo outside of the manufactures operating specification"* [sic]

All the parties have confirmed that they have nothing further to add so I'll now go on to make my 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.

I'd like to thank both parties for responding promptly to the provisional decision. Mr P has asked Expert A to respond to my additional questions, and this has been shared with the parties.

I'm sympathetic to Mr P's situation and his circumstances. Despite my natural sympathy, I need to be impartial when I look at this complaint.

I've attempted to summarise above the responses that I received from Mr P and MotoNovo as I want them to know that I've carefully considered all the points made and the evidence provided. I don't intend to address the same points again as in my provisional decision. Instead, I've tried to concisely explain why the additional comments and evidence I've received since I issued my provisional decision haven't changed my mind.

I have to highlight that I've observed a couple of inaccurate statements in MotoNovo's response. In particular the overall mileage at failure, and whether there were advisories at the first MOT. I've taken this into account, but it hasn't altered my determination as I'm aware of the true information, which is already set out in my provisional decision.

Mr P needed to demonstrate that a fault that made the car not of satisfactory quality was present when the car was supplied to him. His report wasn't conclusive, so MotoNovo's response wasn't unreasonable.

Expert A's comments in response to my questions haven't been able to persuade me that, on balance, it is more likely that the car wasn't of satisfactory quality when it was supplied. The time that had elapsed before the issue was reported, the distance covered by the car and the inconclusive findings of the expert who saw the car, mean that it's difficult for me as an independent party to reach a different conclusion.

Expert A concluded that the catalytic converter might have been removed from the car after the MOT, which is different from his original stance in the report. I've no way of knowing who did that. Expert A couldn't conclude the car had been remapped, but pointed to some error codes which might need further investigation. I've seen the evidence from the repairing garage that the car did need to have a standard map added during repairs. But I can't necessarily conclude from that when the car was remapped. Even taking Expert A's comments about a remap affecting the serviceable life of a turbo into account, there are also

other important factors such as the servicing history and driving style during the lifespan of the car, which could also have caused it to fail prematurely. I don't have any evidence of the servicing history or maintenance of the car, and as the car has been sold it isn't possible to make those enquiries.

It's not my role to tell Mr P what he should have done in these circumstances, and hindsight isn't particularly helpful to the unfortunate situation he's found himself in. If the fault had been reported in the first six months, then the onus would have been on MotoNovo to show that the car was of satisfactory quality when it was supplied. The photo and video evidence or the fact that the car had an advisory during the MOT, isn't enough to show that there was a fault which made the car not of satisfactory quality when I was supplied.

I'm sorry to disappoint Mr P but I can't conclude that the car wasn't of satisfactory quality when it was supplied. So, I'm not asking MotoNovo to do anything to resolve this complaint.

Mr P doesn't need to accept my decision, and then he'll be free to take the matter to court.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 14 October 2025.

Caroline Kirby
Ombudsman