

The complaint

Mr G complains about a car supplied to him using a hire purchase agreement taken out with MotoNovo Finance Limited (“MotoNovo”).

What happened

In October 2024, Mr G acquired a used car using a hire purchase agreement with MotoNovo. The car was nearly nine years old, the cash price of the car was £15,397, the agreement was for 61 months, made up of 59 regular, monthly repayments of £346.21, followed by a final payment of £347.21, which included a £1 option to purchase fee. The deposit paid was £200. The mileage recorded on the agreement for the car was 70,355 miles.

Mr G said he experienced issues with the car within a day or so of acquiring it. Mr G said that he noticed that the car’s heater wasn’t functioning correctly. He said it was attempted to be repaired by the heater matrix being flushed, but the issue with it persisted. In November 2024, the heater matrix was replaced in the car under warranty.

In February 2025, Mr G noticed a noise coming from the car when he used the heater. He said the supplying dealership recommended a third-party garage to take the car to. Mr G said he had already lost faith in the car by this point.

In March 2025, Mr G took the car to the third-party garage, who thought the air conditioning system needed re-gassing. Mr G said that a diagnostic was also carried out to the car which confirmed there to be an issue with the repaired heater matrix.

Frustrated with the issues he was experiencing with the car, Mr G complained to the supplying dealership and to MotoNovo. Mr G also explained that as the heaters didn’t work in the car, it made it difficult to travel with his young child.

After several weeks had passed, Mr G was able to speak to a MotoNovo representative about his complaint. Mr G informed MotoNovo of the aircon/heater issue, as well as other issues he said he experienced with the car, such as the car struggling to change gear and a rattling coming from the steering wheel.

Mr G said that an independent inspection was completed to the car in May 2025, but they had only come to inspect the aircon/heater issue, and not the other issues he said he told MotoNovo about. The report concluded that the issue with the aircon/heater was not present or developing at the point of supply and was a wear and tear issue.

Mr G referred his complaint to our service.

A further independent inspection was carried out to the car later in the month, which inspected some of the other issues Mr G said he experienced. The report concluded that the heater matrix was replaced, and that there were other significant ongoing mechanical and electrical issues. The engineer said that these concerns were not typical wear and tear issues and, in their opinion, the car was not sold of satisfactory condition.

In June 2025, MotoNovo issued their final response to Mr G. They partly upheld Mr G's complaint due to the service they provided him and offered him £150 to reflect the inconvenience caused. They also said that Mr G had declined the opportunity for the car to be inspected for a third time, and that they didn't uphold this aspect of his complaint as the investigation remained inconclusive as a further inspection was required to reassess the findings and provide a definitive expert opinion.

Mr G asked our service to continue with our investigation.

Our investigator upheld Mr G's complaint and instructed MotoNovo what they needed to do to put things right. In summary, our investigator thought Mr G should have been allowed to reject the car, as she found there was a fault with it which made it of unsatisfactory quality – and that MotoNovo had already had the chance to repair the car and faults with it persisted.

MotoNovo disagreed with the investigator's findings. Among other things, they thought there was conflicting conclusions reached by the two independent inspections carried out to the car and thought a third report was required.

Mr G took the car to the supplying dealership to be serviced. MotoNovo supplied videos of the car which they said contradicted the findings of the second independent inspection.

Our investigator reiterated her thoughts to MotoNovo and explained that she thought there was enough evidence supplied to show the car should be rejected. She also explained that Mr G hadn't refused a third inspection.

As MotoNovo disagreed, the complaint was passed 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 I'll explain why below.

I'm aware I have summarised events and comments made by both parties very briefly, in less detail than has been provided, largely in my own words. No courtesy is intended by this. In addition, 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 individual point or argument to be able to reach what I think is a fair outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as an alternative to the courts.

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

When considering what's fair and reasonable, I take into account relevant law and regulations. The Consumer Rights Act 2015 ("CRA") is relevant to this complaint. The CRA explains under a contract to supply goods, the supplier – MotoNovo here – has a responsibility to make sure goods are of satisfactory quality. Satisfactory quality is what a reasonable person would expect – taking into account any relevant factors.

I would consider relevant factors here, amongst others, to include the car's age, price, mileage and description. So, it's important to note that the car Mr G acquired was used, nearly nine years old, had been driven around 70,350 miles and cost around £13,400. I think

a reasonable person would accept that it would not be in the same condition as a new car and was likely to have some parts that are worn.

What I need to consider is whether the car was of satisfactory quality when it was supplied. And in order to do that, I first need to consider whether the car developed a fault.

Had the car developed a fault?

It's worth setting out upfront that there are two independent reports that have been produced in relation to the car. One report was completed in early May 2025 ("Report A"). And a further report was produced towards the end of May 2025 ("Report B").

I have noted that Report A does not address all the issues about the car that Mr G had raised to MotoNovo. It only addresses the issue Mr G experienced of a noise coming from the car when the heating or air conditioner was being used. So, I'm not persuaded by the findings of Report A as it was limited in its scope and not a true reflection of all the issues Mr G experienced. It is worth noting however, that they did find an abnormal rotational grinding sound coming from the air conditioner compressor, which they thought was consistent with a shaft bearing failure.

Report B, on the other hand, addressed several more issues which Mr G experienced with the car. The engineer who completed the report was also informed about the findings of Report A. The inspection noted several defects with the car, such as:

- The car's engine being contaminated with fuel, which they thought was indicative of an injection fault or head gasket breach.
- Heavy black smoke and oil leakage present.
- Fluctuating revs from the car's engine when idle, which drops when the air conditioner is turned off.
- No airflow from the car's vents, despite them being open.
- Audible rattle from the steering assembly over bumps.

The defects which Report B found was consistent with Mr G's testimony of the issues he said he experienced.

MotoNovo have said that the dealership provided additional comments to dispute the findings of Report B. Along with the comments, a few videos were also supplied. However, I'm not persuaded by the videos I've seen. Firstly, I'm mindful that the supplying dealership likely has a vested interest in the outcome of this complaint. And so, I don't think their comments are impartial, whereas the findings of Report B are. And secondly, the videos supplied by the dealership were brief and only show a very small snapshot of the car not exhibiting issues with it. For example, the video they provided of the car's tachometer sitting at idle, does not show whether the air conditioning system was active – whereas Report B's findings explained that revs fluctuated when the air conditioning system was active.

Considering things here, while I appreciate what MotoNovo (and the dealership have said), I'm more persuaded by the findings of Report B.

MotoNovo also say that they asked for the car to be inspected for a third time as they didn't think the outcome of the first two inspections were conclusive. While I accept the first independent inspection lacked the detail required and didn't consider all aspects of Mr G's concerns, I'm satisfied that the second report commissioned was enough in this instance. I can't see what a third inspection would uncover, that the second one hadn't. I'm also mindful that several months has now passed. And so, I don't think there is a need for the car to be

inspected for a third time. I'm satisfied I have enough information to reach a fair and reasonable outcome to this complaint.

In summary, I'm satisfied that there are faults with the car. To focus my findings on the first issue Mr G experienced, it isn't in dispute here that Mr G had issues with heating the car early on and the heater matrix was initially flushed, and then later replaced as the issue with it persisted. I don't think the heater matrix would have needed replacing if the car didn't have a fault with it.

MotoNovo say that Mr G didn't take the car to a third-party garage to have the air conditioning unit re-gassed, as advised. But Report B concluded that there was an issue with the airflow, as well as an indication that the engine revved higher when the heater system was active. And the engineer didn't make any comments about the air conditioning unit needing re-gassing. So, I'm not persuaded that re-gassing the air conditioning unit would have solved the issue with the car, and I think it is likely this was speculative on the supplying dealership's part, to rule that aspect out.

So, I'm satisfied there was a fault in relation to heating the car. And I think there are likely other developing faults with the car which Report B had commented on, such as a possible injection fault or head gasket breach.

Was the car of satisfactory quality at the point of supply?

In relation to the issues Report B found with the car, it concluded:

"These concerns are not typical wear-and-tear issues over such a short distance. In our opinion, the vehicle was not sold in a... satisfactory condition and should not have been presented as such."

Considering the fault with the heater or air conditioner presented itself shortly after the car was acquired, and Report B (completed by an independent, expert engineer), says that the fault (and other issues identified) are not typical wear and tear concerns, considering the short distance the car had travelled, I'm satisfied the fault was likely present or developing at the point of supply.

Remedies under the CRA

I've gone on to think carefully about the remedies available to Mr G under the CRA. I've also thought carefully about the time that has elapsed, and the opportunity MotoNovo has had to resolve any issues with the car.

Section 24(5) of the CRA says:

"a consumer who has ... the right to reject may only exercise [this] and may only do so in one of these situations – (a) after one repair or replacement, the goods do not conform to contract."

This is known as the single chance of repair. And this applies to all issues with the goods, and to all repairs i.e. it's not a single chance of repair for each component of the car that has failed. So MotoNovo doesn't get one chance to repair each different fault, simply one chance to repair the car.

In this case, there was an attempt to repair the heater matrix as it was flushed and then replaced. This was to solve the issue Mr G experienced with the lack of heat reaching the car's cabin area. And after the replacement, Report B concluded that the car's engine revved

abnormally, when the air conditioner was active; that there was a loud noise coming from the air conditioner compressor which increased with usage; and that there was a lack of airflow into the cabin area, despite the vents being operational.

So, I'm satisfied MotoNovo have already had the opportunity to repair the car and I think it failed or the car had an underlying fault that was never put right. So, in the circumstances, I'm satisfied Mr G should be allowed to reject the car.

I don't think MotoNovo are required to pay any monthly repayments back to Mr G in this instance. I say this because, I can see that by July 2025, Mr G had driven the car around a further 7,000 miles. And the car has likely been driven further since. So, I'm satisfied that Mr G continued to have use of the car, and I think it is fair and reasonable for MotoNovo to retain monthly repayments to reflect that use.

Distress and inconvenience

Mr G has explained the impact this complaint has had on his mental health as well as his concerns of driving the car with a young child, particularly when there had been an issue with its heater.

With that in mind, I think it is fair and reasonable MotoNovo pay Mr G £200 for the distress and inconvenience caused. This is in addition to the £150 they say they have already paid Mr G.

My final decision

For the reasons I've explained, I uphold this complaint and I instruct MotoNovo Finance Limited to put things right by doing the following:

- End the agreement ensuring Mr G is not liable for monthly rentals after the point of collection (it should refund any overpayment for these if applicable).
- Collect the car (if this has not been done already) without charging for collection.
- Refund Mr G's deposit towards the agreement of £200. *
- Pay Mr G a further £200 to reflect the distress and inconvenience caused.
- Remove any adverse information from the customer's credit file in relation to the agreement, if any.

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

If MotoNovo has already given compensation in relation to this specific complaint, the final amount should be less the amount already given.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 5 January 2026.

Ronesh Amin
Ombudsman