

## **The complaint**

Mr S is unhappy that a car supplied to him under a hire purchase agreement with MotoNovo Finance Limited was of an unsatisfactory quality.

Mr S has been represented during the claim and complaint process by Miss N. For ease of reference, I will refer to any comments made, or any action taken, by either Mr S or Miss N as “Mr S” throughout the decision.

## **What happened**

In January 2024, Mr S was supplied with a used hybrid car through a hire purchase agreement with MotoNovo. He paid a £2,384 deposit and the agreement was for £13,016 over 49 months; with 48 monthly payments of £248.56 and a final payment of £6,142.25. At the time of supply, the car was almost five years old and had done 63,558 miles (according to the agreement).

In February 2025, Mr S complained to MotoNovo that the petrol engine of the car had stopped working, and it was only running on the electric engine, with a range of around 10 miles. He also said there was an error message on the dashboard and that he'd had issues with the tyre pressures since the car had been supplied.

MotoNovo didn't uphold Mr S's complaint. They didn't think the faults with the engine were present or developing at the point of supply, and they said the supplying dealership had already reimbursed him for the repairs to the tyre management system and for re-gassing the air-conditioning.

Mr S wasn't happy with this response, and he brought his complaint to the Financial Ombudsman Service for investigation.

Mr S supplied a report from an independent garage, dated 30 January 2025, which said there was a fault with the engine. He also had the car inspected by an independent engineer. This inspection took place on 23 April 2025 when the car had done 80,109 miles – around 16,500 miles after it was supplied to Mr S.

The independent engineer said that, on a test drive, the petrol engine failed after around a mile and the car switched to the electric engine, in a reduced performance mode. There were multiple fault codes and the engineer concluded that, while the issues with the tyre management system and air-conditioning were present when the car was supplied to Mr S, the drive batteries were suffering from general degradation due to age and mileage. And the engine/drive issues weren't present or developing when the car was supplied.

Our investigator said that, based on the evidence, they were satisfied that the issues with the air-conditioning and the initial issues with the tyre management system were present or developing when the car was supplied to Mr S. However, these had been repaired, and Mr S had been reimbursed for the cost of this.

The investigator also said that the new issue with the tyre management system, identified by the independent engineer, wasn't present or developing when the car was supplied and wasn't a failed previous repair. Finally, the investigator said that the drive issues with the car also weren't present or developing when the car was supplied. So, MotoNovo didn't need to do anything more.

Mr S didn't agree with the investigator's opinion. He said that he reported the issues relating to the tyre management system, the air-conditioning, and the battery within days of being supplied with the car, and that the car hadn't been serviced before it was supplied to him. He also said that his local garage had noted battery degradation in March 2024, and the car never achieved the advertised range of 30 miles on the electric engine.

The investigator issued a second opinion explaining why they didn't think the car wasn't of an unsatisfactory quality when it was supplied to Mr S. Mr S still disagreed with this opinion, so the matter has been 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'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. Mr S 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 Mr S 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.

In his comments on the investigator's opinions, Mr S has said the CRA says the car should've been supplied without minor defects and must be fit for purpose. And he thought the issues with the lack of servicing, the tyre management system, and the air-conditioning all show that this wasn't the case.

I haven't seen anything to show me that the car was advertised with a full-service history, and it's not illegal to sell a car that doesn't have a full-service history. I've seen the dealership supplied Mr S with a copy of the service history which showed the car had been

serviced twice – at 15,936 miles and at 63,557 miles (on 20 November 2023 – the car only then travelled one mile before it was supplied to Mr S).

The manufacturer's guidelines are that the car should be serviced every 12-months or 12,500 miles, whichever is sooner. And the terms of the agreement Mr S signed with MotoNovo required him to service the car in line with these guidelines. As such, the next service was due on the sooner of 20 November 2024 or 76,057 miles. So, when Mr S contacted the dealership about the service light having come on on 1 March 2024, when the car had done 64,700 miles, no service was due, nor was one due for at least 8-months or 11,000 miles. As such, I don't think the dealership acted unreasonably by advising Mr S how to reset the service light, and I don't think this means the car was of an unsatisfactory quality at supply.

I haven't seen anything to show me that Mr S had the car serviced in November 2024, or when it reached 76,000 miles, despite being required to do so as a term of the agreement.

It's not disputed that the car had issues with the tyre management system and the air-con, and the independent engineer has said that these issues were present or developing when the car was supplied. Mr S is correct in saying the CRA required goods to be of an acceptable standard and free from minor defects, but, where this isn't the case, it also allows for a single chance of repair.

Mr S had the tyre management system repaired in March 2024, at a cost of £121.20, and the air-conditioning re-gassed in May 2024 at a cost of £96.99. He has been reimbursed for these repairs, and I'm satisfied this classes as the single chance of repair. The independent engineer has said that the air-conditioning system is working ok, and the current issue with the tyre management system is not related to the previous issue and is therefore not a failed repair. So, while these issues made the car of an unsatisfactory quality at the point of supply, as they were successfully repaired, Mr S doesn't have the right to reject and MotoNovo don't need to take any further action in this regard.

Turning now to the main issue with the car, the drive system. Mr S was supplied with a hybrid petrol/electric car that had done 63,558 miles at the point of supply. Mr S has said that he was never able to achieve the 30 miles advertised range when the car was in electric mode, and he believes this also made the car not of a satisfactory quality.

When manufacturers of electric or hybrid cars advertise a range, this is based on a brand-new car tested under factory conditions on a rolling road. This means the test is done at a constant ideal temperature with no air resistance or other road factors. The purpose of this test, which is carried out by all manufacturers, is so a potential buyer can fairly compare makes and models. The advertised range is not designed to reflect what can be achieved under real world conditions.

There are a number of different factors that can affect the real world range of an electric or hybrid car, which include temperature, road conditions, what other systems are being used, e.g. heating, and the age of the batteries – all rechargeable batteries have a limited lifespan and will degrade over time, reducing their efficiency and the actual achievable range. The batteries on the car supplied to Mr S are expected to last around 8 years or 100,000 miles, dependent upon how the car is used and the conditions in which it's driven.

Mr S has said that, when the car was inspected by the local garage in March 2024, it showed hybrid fault codes related to degraded battery performance. And, as these same codes were present when the car broke down and when it was inspected by the independent engineer, *"that shows the defect was present or developing from the outset."*

While I agree that there was evidence of battery degradation when the car was supplied to Mr S, for the reasons given above, this is to be expected in a car that was almost five years old and had done in excess of 60,000 miles. So, while this is the case, it doesn't mean the car was therefore of an unsatisfactory quality – there is a reasonable expectation with an older electric or hybrid car that there will be wear and the parts will not last as long as they would with a brand-new car.

Having reviewed the independent engineer's report dated 23 April 2025, I've noted that the engineer also 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. And the engineer has confirmed that the current drive issues weren't present or developing at the point of supply. I haven't seen anything, such as a report from a different engineer, that says these issues *were* present or developing at the point of supply, so I see no compelling reason to disregard the independent engineer's findings.

As such, and while I appreciate this will come as a disappointment to Mr S, I'm satisfied the current issues with the car weren't present or developing when the car was supplied, nor do they make the car of an unsatisfactory quality at the point of supply. So, I won't be asking MotoNovo to do anything more.

### **My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 17 November 2025.

Andrew Burford  
**Ombudsman**