

The complaint

Mr R complains about the quality of a car he has been financing through an agreement with MotoNovo Finance Limited (MotoNovo).

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

Mr R received a used car in May 2024, financed through a hire purchase agreement with MotoNovo. Within weeks, he experienced issues with the clutch and gearbox, and once broke down on the motorway due to a loss of power. In November 2024, the dealership replaced the clutch master cylinder, pedal, and the key fob battery (as the car sometimes failed to detect the key). These repairs were unsuccessful. In February 2025, the gearbox was stripped and found to have a worn second gear and synchro, which were replaced along with a top roller bearing. No fault was found with the key fob.

Mr R was dissatisfied with MotoNovo's response to his complaint and referred the matter to our service. Our investigator concluded that the gearbox was not durable and likely not supplied in a satisfactory condition. She believed Mr R had only agreed to a diagnostic strip-down, not a repair. Based on this, she recommended that MotoNovo allow Mr R to reject the car.

MotoNovo disagreed, stating that Mr R had approved the repairs and that further action would be unreasonable. They requested an ombudsman's 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 know it will disappoint MotoNovo, but I agree with our investigator's opinion and for broadly the same reasons, I'll explain why.

Where the information I've got is incomplete, unclear, or contradictory, as some of it is here, I have to base my decision on the balance of probabilities.

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 R acquired his car under a hire purchase agreement. This is a regulated consumer credit agreement and as a result our service is able to look into complaints about it.

The Consumer Rights Act (2015) is the relevant legislation. It says that the car should have been of satisfactory quality when supplied. If it wasn't then MotoNovo, who are also the

supplier of the car, are responsible. The relevant law also says the quality of goods is 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. It says that when we consider if a car was supplied in a satisfactory condition we should think about whether it was durable.

In a case like this which involves a car the other relevant circumstances would include things like the age and mileage at the time the car was supplied to Mr R. The car here was about six years old and had already completed 37,603 miles.

An older car with a high mileage will not be expected to be as good as a newer car with a low mileage, but it should still be fit for use on the road, in a condition that reflects its age and price.

The relevant legislation explains that if the fault occurs within the first six months we are to assume it was present at the point of supply, when MotoNovo were responsible for the car's quality, unless they can demonstrate otherwise. The faults with the gearbox and the key fob were reported on 4 November 2025 within the first six months. MotoNovo haven't provided any evidence to suggest the fault wasn't developing when the car was supplied so I find it likely the car wasn't supplied in a satisfactory condition.

Even if the faults were reported after six months, I do not consider the gearbox to be durable. A properly maintained gearbox on this make and model should last over 100,000 miles. Mr R's car failed at around 42,000 miles, and MotoNovo has not shown that Mr R failed to maintain the vehicle. This further supports the conclusion that the car was not of satisfactory quality.

The law allows a business one opportunity to repair a fault. MotoNovo attempted repairs in November 2024, but these were unsuccessful. The fault was only identified during a strip-down in February 2025. Normally, if the first repair fails, the consumer should be allowed to reject the vehicle. MotoNovo claims Mr R approved the repair, but I have not seen evidence to support this. Mr R consistently denies authorising a repair, and the email trail does not contradict his account. It appears the garage proceeded with repairs after the strip-down to move the car or support a warranty claim, which is not the same as Mr R requesting the repair.

And, even if I'm wrong about that and a gearbox repair was sanctioned by Mr R, the unresolved issue with the key fob remains. The dealership replaced the battery in November 2024, but the problem persisted. Mr R later provided a screenshot showing the issue had reoccurred, and the dealership was asked to investigate again in February 2025. Although no fault was found, the issue was intermittent, so this is not surprising. I believe the attempts to fix the key fob also failed, which further supports Mr R's right to reject the car.

Putting things right

MotoNovo should collect the car at no cost to Mr R, and they should end the finance agreement.

They should refund any deposit or part exchange that Mr R paid to secure the vehicle. They will need to add 8% simple interest to that refund as Mr R has been deprived of the money.

Mr R's use of the car was impaired by the problems he was having with the gears crunching and the key fob issue. The records I've seen suggest this was first reported to the dealership on 4 November 2024. In respect of that impaired use I think MotoNovo should refund 10% of any finance instalments Mr R paid between that date and 23 February after which Mr R

asked to reject the vehicle.

Mr R hasn't used the car since he asked to reject it on 24 February 2025. Although the car was repaired, I don't think it was unreasonable of Mr R not to subsequently resume use of it. Doing so may have weakened his position that he wanted to reject the car. It's not fair that Mr R has had to pay for a car he hasn't been using and in those circumstances, I think MotoNovo should refund any finance instalments he's paid since 24 February 2025. They will need to add 8% simple interest to that refund as Mr R has been deprived of the money.

Mr R has had to commission an independent inspection report and wouldn't have had to do that if the car had been supplied in a satisfactory condition. MotoNovo should refund the £195 that report cost, and they should add interest to that refund too.

Mr R has been inconvenienced by these issues. He's had to take the car back to the dealership on several occasions and has had to arrange an independent inspection. He's also had to escalate his complaint to this service when I think it could have been resolved earlier. In those circumstances MotoNovo should pay him £250 compensation for the distress and inconvenience he's experienced.

My final decision

For the reasons I've given above I uphold this complaint and tell MotoNovo Finance Limited to:

- Allow Mr R to reject the car and end the finance agreement.
- Collect the car at no cost to Mr R.
- Refund any deposit/part exchange that has been paid and add 8% simple interest* per year from the date of payment to the date of settlement.
- Refund 10% of finance instalments paid between 4 November 2024 and 23 February 2025 in respect of the impaired use Mr R had from the car. Add 8% simple interest* per year from the date of payment to the date of settlement.
- Refund all finance instalments paid from 25 February 2025 in respect of loss of use. Add 8% simple interest* per year from the date of payment to the date of settlement.
- Refund the £195 it cost Mr R to commission an independent inspection report and add 8% simple interest* per year from the date of payment to the date of settlement.
- Pay Mr R £250 to compensate him for the distress and inconvenience he's experienced.
- Remove any adverse reports they may have made to Mr R's credit file in relation to this issue.

*If HM Revenue & Customs requires the business to take off tax from this interest they must give the consumer a certificate showing how much tax it's taken off if the consumer asks for one.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 28 November 2025.

Phillip McMahon
Ombudsman