

The complaint

Mrs M complains about the quality of a vehicle she acquired through a hire purchase agreement financed by MotoNovo Finance Limited (MotoNovo).

What happened

In October 2021 Mrs M acquired a new car through a hire purchase agreement. The car was around 10 months old, and it had travelled about 100 miles at the time of supply.

In March 2023 Mrs M noticed water coming into the car through the rear-view mirror. The car was inspected by a manufacturer garage, who told Mrs M there was a dent in the roof allowing water in. They said this wasn't covered under the warranty Mrs M had, and she paid £63 for the diagnostic.

In December 2023 Mrs M contacted the dealership to arrange a service and asked them to review the leak at the same time. Mrs M said the dealership told her there was no visible dent in the roof but recommended that she take it to a different manufacturer garage as it was still covered by a warranty.

In January 2024 repairs were completed to reseal the sunroof, and later the sunroof and roof bar seals were replaced.

In March 2024 repairs were undertaken to reseal the roof bars again, but the leak persisted, and its cause was unable to be found.

Mrs M complained to MotoNovo about the quality of the car in October 2024. MotoNovo sent Mrs M their final response to her complaint in November 2024. They said that as the fault had occurred more than six months after Mrs M acquired the car, she'd need to provide a report concerning the fault and whether the car was of satisfactory quality at the time it was supplied.

In February 2025 an engineer inspected Mrs M's car. That engineer reported that there was an active water leak, there were no signs of external or internal damage to account for it, the seals showed no water ingress, the sunroof operated as it should and the gutter and drainage channels for the roof were clear. The engineer concluded, in summary, that the leak had developed after the vehicle was sold.

Mrs M provided this report to MotoNovo. They said they wouldn't reopen her complaint because the report didn't confirm the fault was present at the time the vehicle was supplied to her.

Unhappy with this response, Mrs M brought her complaint to this service for investigation.

Our investigator gave their view that Mrs M's car wasn't reasonably durable, and so they thought it was of unsatisfactory quality at the time it was supplied to her. They said as repairs had been attempted and failed, Mrs M should be allowed her final right to reject the car. They recommended that MotoNovo end the agreement, collect the car, refund Mrs M's

deposit plus interest, refund the cost of reports provided by Mrs M plus interest, and pay Mrs M £250 for the distress and inconvenience caused.

MotoNovo asked the engineer to comment on the durability of the car. The engineer said that the car was in a satisfactory condition at purchase, with water ingress occurring several months later. It was therefore durable and of satisfactory quality at the time of sale. Our investigator considered this and remained of the opinion that Mrs M's car wasn't reasonably durable. MotoNovo didn't agree.

As an agreement can't be reached, the case has been passed to me for a 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's fair and reasonable, I need to have regard to the relevant law and regulations. The agreement in this case is a regulated hire purchase agreement – so we can consider a complaint relating to it. MotoNovo as the supplier of the goods under this type of agreement is responsible for a complaint about their quality.

The Consumer Rights Act 2015 (CRA) is relevant 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"

To be considered "satisfactory" the goods would need to meet the standard that a reasonable person would consider satisfactory – taking into account any description of the goods, the price and other relevant factors. Those factors, in the case of a car purchase, will include things like the age and mileage of the car at the time of sale, and the car's history. The quality of the goods includes their general condition and other things like their fitness for purpose, appearance and finish, safety and durability.

Here the car was acquired new with a cash price of around £32,000. With this in mind, I think it's fair to say that a reasonable person would expect the vehicle to be free from even minor defects for a considerable period.

The engineer has confirmed the presence of an ongoing leak in Mrs M's car, and I've seen evidence of recent water ingress. So, I'm satisfied that there is a fault with Mrs M's car.

There have been several repair attempts to try and stop the leak, including replacement seals for the sunroof and the roof bars. The engineer suggested that replacement or repair of the panoramic roof frame structure might be required to remedy the fault. The engineer also noted that there was no evidence of damage that would account for the leak, no evidence that operational methods or environmental factors had caused the leak, and no historical repairs that have led to the fault.

Whilst the engineer concluded that Mrs M's car was durable, I've thought about what a reasonable person would expect considering the history of Mrs M's car. The car was new when acquired, and at the time the leak first occurred it had travelled around 7,000 miles and was about a year and a half old. Given the age of Mrs M's car, and its price, I don't think a reasonable person would expect a fault of this nature to occur.

There appear to be no external factors that have caused the leak to occur, nor have I seen any evidence that it's attributable to a reasonable level of wear and tear. A possible

replacement of a roof frame structure is required, and I'm satisfied that a reasonable person wouldn't expect this item to fail in such a short period of time.

On the balance of probabilities, I'm persuaded that the car was not reasonably durable and therefore was not of satisfactory quality at the time of supply.

Putting things right

Having made that finding, I need to decide what, if anything, MotoNovo should do to put things right.

The CRA sets out the remedies available where goods are considered not to be of satisfactory quality and one of the remedies is to allow an opportunity to repair the goods. That repair should be done in a reasonable time, and without significant inconvenience to the consumer.

There have been several attempts to repair Mrs M's car, and the leak persists. It's not clear what exactly is required to repair the car and it's not clear if a repair will be successful, will be long lasting, or how long it might take to complete. So, it's likely that Mrs M will be put to significant inconvenience, in addition to that which she's already experienced, in arranging a repair when it's not clear that it will be successful and further work and time might then be required to return the car to a satisfactory state.

All things considered; I think Mrs M should be allowed her final right to reject the car. This means that the car is collected from Mrs M, the finance agreement is brought to an end, and Mrs M has her £6,000 deposit and £16,229 part exchange contribution refunded (plus interest).

I've seen evidence that Mrs M has paid for diagnostic reports that she wouldn't otherwise have needed to but for the unsatisfactory quality of the car, so MotoNovo should refund her £258 for these reports, plus interest.

Mrs M has been put to distress and inconvenience in being supplied with a car that wasn't of satisfactory quality. She's had to spend time arranging for inspections and taking the vehicle for repairs that have since failed. Our investigator recommended that MotoNovo pay Mrs M £250 compensation to reflect this. All things considered, I think £250 fairly reflects the distress and inconvenience caused.

My final decision

My final decision is that I uphold this complaint, and MotoNovo Finance Limited must:

- End the agreement ensuring that Mrs M is not liable for monthly rentals after the agreement has ended. (It should refund any overpayment if applicable)
- Take the vehicle back without charging for collection if it hasn't already done so
- Refund Mrs M's total deposit of £22,299 plus 8% simple interest from the date of payment to the date of refund. (If any part of this deposit is made up of funds paid through a dealer contribution, MotoNovo is entitled to retain that proportion of the deposit.)
- Refund Mrs M £258 for report costs plus 8% simple interest from the date of payment to the date of refund
- Pay Mrs M £250 compensation to reflect the distress and inconvenience caused

If MotoNovo considers that it's required by HM Revenue & Customs to withhold income tax

from the interest part of my award, it should tell Mrs M how much it's taken off. It should also give Mrs M a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 18 December 2025.

Zoe Merriman
Ombudsman