

The complaint

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

Mr G has been represented during the claim and complaint process by Mrs G. For ease of reference, I will refer to any comments made, or any action taken, by either Mr G or Mrs G as "Mr G" throughout the decision.

What happened

In April 2021, Mr G was supplied with a car through a hire purchase agreement with MotoNovo. He paid an advance payment of £5,000 and the agreement was for £26,996 over 61 months; with 59 monthly payments of £596.54 and a final payment of £597.54. The car was an ex-demo model and, at the time of supply, was around eight months old and had done less than 1,000 miles.

Mr G started to have problems with the car from shortly after it was supplied to him. He took it to a local manufacturer's main dealer on 1 June 2021 (due to the distance between his home and the supplying dealership) as it was juddering when accelerating and intermittently going into limp mode. They identified that the Diesel Particulate Filter (DPF) was operating below the efficiency threshold, and they did a software update.

The local dealer inspected the car again on 27 July 2021, as the Engine Management Light (EML) was on and the car was juddering. To resolve this, they replaced the DPF pressure sensor. An invoice from the same local dealer dated 30 September 2021 confirmed that "*EML back on and vehicle juddering again. Replaced DPF.*" The car had done less than 5,000 miles at this point.

The car was serviced on 14 January 2022, at 7,708 miles, and again on 26 April 2023 at 18,974 miles. The brake pads were changed by the local dealer on 19 September 2023, during which point they noted that an oil change message was on the dashboard, even though the oil had only been changed 7,000 miles ago when the car was serviced.

The car went into limp mode again, with the EML coming on, and, on 5 October 2023 the local dealer replaced the TMAP sensor and performed a software update. On 20 October 2023, after a transmission malfunction and the car going into limp mode, the MAF sensor array was replaced.

The car was again serviced on 5 April 2024, when it had done 30,542 miles, and was also investigated for the EML being on again. However, this was found to be caused by leaves blocking the air filter. The local dealer replaced a leaking intercooler hose on 25 May 2024. The intercooler was replaced again, this time under a parts warranty, on 19 October 2024 and, in February 2025, Mr G was told that the DPF would need replacing for a third time.

Mr G had the car inspected by an independent garage on 25 March 2025 for a second opinion. This inspection took place when the car had done 41,093 miles and confirmed "*DPF failure. Has had DPF replaced & been advised it needs replacing again ... removed MAP*

sensor found to be contaminated with oil. Removed CAM carrier breather pipe found to be breathing heavy, smoke & oil present." Mr G says he stopped using the car at this point.

Mr G complained to MotoNovo on 26 March 2025, saying that the car wasn't of a satisfactory quality when it was supplied to him. MotoNovo didn't uphold the complaint, and they thought that because the car had worked fine for two years after the initial repair in 2021, it had been of a satisfactory quality when it was supplied.

Mr G then had the car inspected by an independent engineer. This took place on 24 April 2025 when it had done 41,115 miles. The engineer had sight of the details of the previous work that had been carried out on the car. They said there were fault codes present, the EML was illuminated, and concluded "*there is a potential issue relating to the DPF. However, further investigation would be required to identify the root cause.*"

The oil in the car was analysed on 30 May 2025, where it was found that the oil "*has low viscosity due to excessive fuel dilation, this has become common as a result of engine systems over fuelling in an attempt to regenerate exhaust gas particulate filters.*"

Mr G had brought this matter to our service for investigation on 11 April 2025. After reviewing the evidence, our investigator said that Mr G had been supplied with a nearly new ex-display car which has needed to have the DPF replaced three times, the first time being a few months after supply.

Based on the evidence, the investigator was satisfied there was a fault with the car that was causing the DPF failures, although the root cause of this was unknown. And they said this made the car of an unsatisfactory quality due to its lack of durability. As attempted repairs had already taken place, the investigator said that Mr G should now be allowed to reject the car, along with a refund of the deposit he paid, a refund of the payments made while the car was in for repair and had been off the road, a reimbursement of the diagnostic and repair costs he's incurred, and £250 compensation for the distress and inconvenience suffered.

MotoNovo didn't agree with the investigator's opinion. They said that, due to the age and mileage of the car, this shows there was "*sustained and functional use over a significant period ... we believe this level of usage suggests the vehicle was fit for purpose during that time [and] a vehicle that has been driven for 40,000 miles may not reasonably be considered inherently defective or unfit for purpose.*"

MotoNovo also said that, as Mr G has raised the matter more than six-months after supply, the burden of proof was on him to show that the issue was present or developing when the car was supplied to him, and there is "*no mechanical evidence confirming the fault existed at the time of sale, apart from third-party repair testimony which may not be conclusive [and] may have contributed to the deterioration of the vehicle, making it difficult to attribute liability solely to the dealer or manufacturer.*"

Because MotoNovo didn't agree, this 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 G 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 and its durability. Durability means that the components of the car must last a reasonable amount of time.

The CRA also implies that goods must confirm 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 G took possession of it, or that the car wasn't sufficiently durable, and this made the car not of a satisfactory quality, it'd be fair and reasonable to ask MotoNovo to put this right.

Based on the evidence I've seen I'm satisfied there is an issue with the car that was supplied to Mr G. The DPF was first replaced within six months of the car being supplied - this work was done by a manufacturer's main dealer and not the supplying dealership as Mr G had purchased the car from a dealership around 70 miles from his home.

The DPF was replaced again in September 2021, and in February 2025 Mr G was told it needed replacement again. Between September 2021 and February 2025, further work was carried out on the car that could be classed as DPF-related – sensors and sensor arrays were replaced, software updates were carried out, and oil excessively contaminated with fuel was replaced (when a DPF is failing, additional fuel is added to the oil to try and force a regeneration). A failing DPF can also create excessive exhaust back pressure, which puts strain on the turbo charger and can cause leaking from the intercooler.

What's more, the independent engineer has confirmed potential DPF issues, although the root cause of these issues is unknown.

MotoNovo have indicated that the cause of the issue may be related to who repaired the car – a manufacturer approved dealership who were not the supplying dealership. They have not provided any evidence to support this assertion, nor indicated why one manufacturer approved dealership would cause damage when repairing the car while another would not. There is also nothing on the report from the independent garage or the independent engineer that indicates the issues were caused by a bad repair. As such, I cannot agree with MotoNovo on this point.

Instead, Mr G has been supplied with a car that has needed three DPF's in four years, when it has done around 41,000 miles. The independent engineer has been unable to identify the root cause of the problem, but this doesn't therefore mean that the problem doesn't exist. And, while Mr G didn't raise the issues with MotoNovo until more than six months after he's been supplied with the car, the evidence is clear that the car had issues before this date.

I'm therefore satisfied that the car supplied to Mr G wasn't sufficiently durable – no reasonable person would expect to have to replace a DPF three times within 41,000 miles – and this made the car of an unsatisfactory quality. Therefore, MotoNovo need to do something to put things right.

Putting things right

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. However, in this instance, as Mr G had the car repaired at the local dealership, neither MotoNovo nor the supplying dealership have been given the single chance of repair. But section 23(2) of the CRA states "*if the consumer requires the trader to repair or replace the goods, the trader must – (a) do so within a reasonable time and without significant inconvenience to the consumer.*"

Given that MotoNovo have been aware of the situation since March 2025, have been provided with the evidence Mr G has supplied relating to the issues with the car, and have been aware of the independent engineer's comments since April 2025; it's arguable they have failed to comply with Section 23(2)(a) of the CRA. And, in these circumstances, Mr G should be able to reject the car.

Mr G has supplied evidence of the work that was done on the car, and the investigator has said it was in repair for a total of 84 days. As such, they recommended that Mr G should be reimbursed for the time he was without the car. However, based on what I've seen, it's implied that Mr G was provided with a courtesy car while the car supplied to him was being repaired. As such, MotoNovo should only have to reimburse Mr G for the periods the car was in for repair, and he wasn't supplied with a courtesy car to keep him mobile.

Notwithstanding this, Mr G stopped using the car on 21 February 2025 after being advised that the DPF needed replacing for a third time. The limited mileage record available supports this, as does the fact that the MOT and road tax expired and haven't been renewed. As, since this date, Mr G has been paying for goods he's not been able to use, I'm satisfied that MotoNovo should refund the payments he's made since this date.

Mr G has provided evidence of the costs he's incurred in repairing the car / having the car inspected. And, given that the car wasn't of a satisfactory quality when supplied, I think it's only fair that MotoNovo reimburse / pay these costs:

- 23 April 2023 - £640.44 for replacement oil, oil filters, and fuel filters
- 5 October 2023 - £174.64 for a replacement sensor
- 20 October 2023 - £132.76 for a replacement sensor array
- 1 May 2024 - £592.27 for replacement filters
- 25 May 2024 - £424.21 for a replacement intercooler hose
- 25 March 2025 - £126 for an inspection by an independent garage
- 24 May 2025 - £360 for an inspection by an independent engineer
- 30 May 2025 - £45 for an oil analysis report

Finally, I think Mr G should be compensated for the distress and inconvenience he's been caused. But crucially, this compensation must be fair and reasonable to both parties, falling in line with our service's approach to awards of this nature, which is set out clearly on our website and so, is publicly available.

I note our investigator also recommended MotoNovo pay Mr G an additional £250 to recognise the distress and inconvenience caused. And having considered this recommendation, I think it's a fair one that falls in line with our service's approach and what I would've directed, had it not already been put forward. So, this is a payment I'm directing MotoNovo to make

Therefore, MotoNovo should:

- end the agreement, ensuring Mr G is not liable for any monthly payments after the point of collection (if any payments are made, these should be refunded);
- collect the car at no collection cost to Mr G;
- remove any adverse entries relating to this agreement from Mr G's credit file;
- refund the deposit Mr G paid (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);
- upon receipt of proof of payment, reimburse Mr G for the cost of repairs specified above;
- upon receipt of proof that no courtesy car was provided, refund the equivalent to the payments Mr G made for the periods the car was being repaired, as specified by the repair schedule above;
- refund the equivalent to all payments made between 21 February 2025 and when the agreement is ended;
- apply 8% simple yearly interest on the refunds, calculated from the date Mr G made the payment to the date of the refund[†]; and
- pay Mr G an additional £250 to compensate him for the trouble and inconvenience caused by being supplied with a car that wasn't of a satisfactory quality (MotoNovo must pay this compensation within 28 days of the date on which we tell them Mr G accepts my final decision. If they pay later than this date, MotoNovo must also pay 8% simple yearly interest on the compensation from the deadline date for settlement to the date of payment[†]).

[†]If HM Revenue & Customs requires MotoNovo to take off tax from this interest, MotoNovo must give Mr G a certificate showing how much tax they've taken off if he asks for one.

My final decision

For the reasons explained, I uphold Mr G's complaint about MotoNovo Finance Limited. And they are to follow my directions above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 2 February 2026.

Andrew Burford
Ombudsman