

The complaint

Miss K is unhappy that a car supplied to her under a hire purchase agreement with MotoNovo Finance Limited (MotoNovo) was not of a satisfactory quality.

What happened

In June 2024 Miss K was supplied with a used car through a hire purchase agreement with MotoNovo. The agreement was for £9,096.52 over 49 months; with 47 monthly payments of £189.49 and a final payment of £190.49. At the time of supply, the car was around nine years old, and had done 57,875 miles.

Miss K said the engine failed in February 2025, after she'd had the car for only eight months and done around 6,000 miles. She said this was due to a failure of the timing chain. She said this required a repair at a cost of £2,500.

She said this unexpected expense caused her financial hardship, which led her to miss a payment on this agreement. She said MotoNovo terminated her agreement due to the missed payments.

MotoNovo said Miss K reported the problem with the car more six months after purchase. They didn't uphold her complaint as they had no evidence the reported fault was present or developing at the point of sale.

MotoNovo said they terminated the agreement on 19 August 2025 due to the history of missed payments, and because an agreed payment plan had failed.

Miss K was unhappy with this response. She said she'd had to pay more than £2,500 for repairs to the car. She said she'd been making payments until the windscreen cracked, and she had to pay for this to be repaired. She said she'd provided evidence of this to MotoNovo but they still terminated her agreement.

So she referred her complaint to our service for investigation. She said she wanted to reject the car and the agreement unwound.

Our investigator said there was enough information to persuade him the car was not of satisfactory quality when it was supplied to Miss K, in particular that it wasn't reasonably durable.

He said he didn't think it was fair to ask Miss K to provide more evidence – such as an independent expert report. He said he had enough evidence to persuade him that the car was likely not of satisfactory quality when it was supplied due to the mileage and life expectancy of the timing chain.

He thought repair was a reasonable option as the car had been repaired and was roadworthy. He said MotoNovo should pay Miss K's costs for the recovery and repairs to the car, and a further amount of £250.00 for any distress or inconvenience that's been caused due to the faulty goods.

He also said that MotoNovo should reinstate the agreement and remove any adverse information from Miss K's credit file in relation to the agreement.

MotoNovo didn't agree with the investigator. They said Miss K had not given them a fair opportunity to inspect or assess the vehicle at the point of failure. They said there was insufficient evidence to confirm the cause of the engine failure or to substantiate the costs claimed.

They said the car had been supplied in a satisfactory condition, with clear and accurate information regarding its service history. They also said the possibility that "*customer maintenance (or lack thereof) contributed to the failure cannot be ruled out*".

Because MotoNovo didn't agree, this matter has been passed to me to make a final 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.

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. Miss K was supplied with a car under a hire purchase agreement. This is a regulated consumer credit agreement which means we are able to investigate complaints about it.

The Consumer Rights Act 2015 (CRA) covers agreements such as the one Miss K entered into. Under this agreement, there is an implied term that the goods supplied will be of satisfactory quality. The CRA says that goods will be considered of satisfactory quality where they meet the standard that a reasonable person would consider satisfactory – taking into account the description of the goods, the price paid, and other relevant circumstances.

I think in this case those relevant circumstances include, but are not limited to, the age and mileage of the car and the cash price. The CRA says the quality of the goods includes their general state and condition, as well as other things like their fitness for purpose, and durability.

So, if I thought the car was faulty when Miss K 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.

It's not disputed there was a problem with the timing chain. The issue I have to consider is whether or not that fault was present when the car was supplied to Miss K, and whether it made the car not of a satisfactory quality.

MotoNovo said the engine failure was due to a lack of oil, not an inherent defect at the time of sale.

There is limited information about the cause of the failure. In April 2025 the repairing engineer diagnosed the timing chain had slipped “causing damage to valves etc”. At this point the car had done 63,527 miles. I understand that the timing chain on this car should last for more than 100,000 miles.

Our investigator spoke with the engineer who carried out the repair. He said the timing chain had jumped, resulting in no compression in the cylinders. He said the valves were bent, and this explained the loss of oil.

Whilst the timing chain should last more than 100,000 miles, its long life is dependent on regular servicing and oil changes.

The service book shows the last service was done by the supplying dealer in April 2024, just before it was supplied to Miss K. The service book also tells us that the previous service was done in August 2018 – so it looks like the car wasn’t serviced for almost six years, and had travelled 31,000 miles in that period.

I’m persuaded that it was more likely than not the lack of servicing contributed to the failure of the timing chain. I’m satisfied that the timing chain failed prematurely, and that means it wasn’t sufficiently durable. So I’m satisfied that MotoNovo supplied Miss K with a car that wasn’t of satisfactory quality, as it wasn’t sufficiently durable.

MotoNovo said the advert for the car said it only had a “part service history” and had last been serviced on 29 April 2024 at 57,837 miles. They said this meant that routine checks of oil and coolant levels were Miss K’s responsibility.

This wasn’t the advert Miss K would have seen. But I agree that consumers should be performing routine checks of oil levels. But I also think it was reasonable for Miss K to rely on the oil warning light. It appears that this wasn’t illuminated, and the repairing engineer confirmed this to be the case.

There’s no evidence that explains why the engine oil light did not come on. There’s some speculation. But in the absence of any reliable explanation, I’m satisfied that the failure of the timing chain cannot be blamed on any lack of maintenance by Miss K in the seven months she’d had the car.

MotoNovo said they weren’t given the opportunity to inspect or assess the car when the engine failed. I can see from their contact notes that Miss K contacted them when the car broke down. They told her they would arrange for an engineer to inspect the car. When she next contacted them they told her this was wrong and they wouldn’t be inspecting the car.

So MotoNovo did have the opportunity to inspect the car. They said it was for Miss K to show that the fault was present or developing at the time of sale. They say the information from the repairing engineer isn’t reliable as he had a financial interest.

I don’t think it was unreasonable for Miss K to arrange for the car to be repaired. She needed the car to keep her mobile. I also think it was reasonable to rely on the engineer’s opinion, and that a replacement engine was the cost effective remedy. I’m satisfied from the evidence available that the timing chain failed prematurely – as it failed well before its expected lifespan of 100,000 miles.

MotoNovo said that durability cannot be guaranteed and anyone buying a used car should accept a certain degree of risk. I agree. But in this case, the car had done only 63,500 miles when the timing chain failed. I’ve explained above why I’m satisfied it failed prematurely, and why it means the car wasn’t of a satisfactory quality, particularly that it wasn’t reasonably

durable.

Putting things right

Payment Refund

The car was off the road and undrivable between 8 February 2025 and 8 April 2025. During this period, Miss K wasn't supplied with a courtesy car. As such, she would have been paying for goods she was unable to use. As, for the reasons already stated, I'm satisfied the car was off the road due to it being of an unsatisfactory quality when it was supplied, and as MotoNovo failed to keep her mobile, I'm satisfied they should refund any payments she made during this period.

I understand that Miss K struggled to make payments due to the unexpected financial burden of having the car repaired. This ultimately led to MotoNovo terminating the agreement after she failed to make a payment due under an agreed payment plan.

As this unexpected financial burden arose because the car MotoNovo supplied wasn't of satisfactory quality, I think it's reasonable that MotoNovo reinstate the agreement. They should also remove any adverse information, including missed payment markers, from Miss K's credit file.

Repair Costs

Miss K has provided evidence of the costs she incurred in repairing the car. Given that the car wasn't of a satisfactory quality when supplied, I think it's only fair that MotoNovo reimburse these costs. Miss K said she wanted to reject the car. I don't think that's reasonable. She chose to have the car repaired, and I understand it is roadworthy. So I think MotoNovo should pay the cost of the repairs. Those are:

- Recovery of vehicle: £50
- Reconditioned engine: £1,890.00
- Refit engine, alternator belt, camshaft sensor, oils and oil filter: £919.01

Distress & Inconvenience

It's clear that Miss K has been inconvenienced by having to arrange for the car to be repaired. She was also upset when she fell into arrears and had to arrange payment holidays and payment plans with MotoNovo. Miss K would not have to do some of these, had she been supplied with a car that was of a satisfactory quality. So, I think MotoNovo should pay her £250 in compensation to reflect the distress and inconvenience caused.

Therefore, MotoNovo should:

- reinstate the agreement, and remove any adverse entries relating to this agreement from Miss K's credit file;
- refund any payments made for the period 8 February 2025 to 8 April 2025;
- pay Miss K £2,859.01 for the recovery and repairs to the car as detailed above;
- apply 8% simple yearly interest on the refunds, calculated from the date Miss K made the payment to the date of the refund[†]; and

- pay Miss K an additional £250 to compensate her for the distress and inconvenience caused by being supplied with a car that wasn't of a satisfactory quality.

†If MotoNovo considers that tax should be deducted from the interest element of my award, they should provide Miss K with a certificate showing how much they have taken off so she can reclaim that amount, if she is eligible to do so.

My final decision

For the reasons explained, I uphold Miss K'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 Miss K to accept or reject my decision before 7 January 2026.

Gordon Ramsay
Ombudsman