

The complaint

Mr K complains that MotoNovo Finance Limited supplied him with a used van under a hire purchase agreement that was not of satisfactory quality. He wants to be able to reject the van or to be reimbursed for the cost of repairs.

What happened

In July 2024 Mr K entered into a five-year hire purchase agreement with MotoNovo for a used van. The van had covered nearly 66,000 miles and was nearly six years old. It was priced at £6,000, and Mr K borrowed the full purchase price. He was to pay just under £140 a month. The van came with a dealer's warranty.

Soon after he acquired the van, Mr K says it developed a suspension fault. The dealership refused to take it back, as it said the fault had developed more than 30 days after he had taken delivery. Soon after that, Mr K says that the gearbox failed.

Mr K says that he paid to have the suspension repaired, but that the gearbox was repaired under the warranty.

In December 2024 Mr K says that a warning light appeared and that there were issues with the van's turbo charger. An inspection indicated that the oil level was low, although there were no leaks.

Mr K contacted MotoNovo, which in turn instructed an independent firm of engineers to carry out an inspection of the vehicle. The inspection took place in early January 2025. The resulting written report concluded that, whilst there were defects with the van, it was unlikely they had been present at delivery. In reaching that conclusion, the engineer noted that the vehicle had covered more than 6,300 miles since delivery.

Based to a large degree on the conclusions of the independent report, MotoNovo did not accept Mr K's claim. It was not, it said, liable for the defects identified in it.

Mr K did not accept MotoNovo's response to his complaint and referred the matter to this service. In doing so, he said that he had funded repairs within the early months of the finance agreement and that he should be refunded for them.

One of our investigators considered what had happened but did not recommend that the complaint be upheld. In doing so, she noted that an independent inspection report had concluded that the issues identified when the van was inspected had probably developed after delivery.

Mr K did not accept the investigator's assessment and asked that an ombudsman review the case.

I did that and, because I was minded to reach a different conclusion from that reached by the investigator, issued a provisional decision, in which I said:

In her assessment of Mr K's complaint, the investigator referred to the Consumer Rights Act 2015. Mr K has however subsequently clarified that the van was used for his business. He did not therefore take out the hire purchase agreement as a "consumer" and so the Act does not apply. The hire purchase agreement is however covered by the Supply of Goods (Implied Terms) Act 1973, which, like the 2015 Act, says that a hire purchase agreement includes an implied term that goods will be of satisfactory quality – and, as in the 2015 Act, that satisfactory quality means the quality which a reasonable person would expect in the circumstances.

In this case, the van was around six years old and had covered 66,000 miles when Mr K took delivery of it. Its price reflected that. A reasonable person might therefore expect it to show signs of wear and tear and possibly that it might need some repairs in due course. I note too that it came with a six-month warranty, although I do not have the details of what was and what was not covered.

Mr K reported issues with the van's gearbox and suspension within a few weeks of taking delivery of the van. The gearbox was repaired under warranty, but Mr K has provided evidence (in the form of an invoice dated 13 September 2024) showing that he paid £323 to have the suspension repaired. Since that was less than two months after he took delivery, I think it is reasonable to conclude that this was an issue which was present at delivery. I also believe that a reasonable person would conclude that the need for repairs costing several hundred pounds that soon after delivery meant that the van was not of satisfactory quality. I intend therefore to make an award in respect of that issue.

I turn next to the engine and turbo charger issues which arose in December 2024 and which were the subject of the inspection in January 2025. Those faults do not appear to have been present until December 2024, by which time the van had covered more than 6,000 miles. The independent engineer did not consider they were likely to have been present at delivery, and I do not believe there is any good reason for me to reach a different conclusion.

I note that Mr K has said that he has funded further repairs. But he has been unable to provide supporting evidence of that – for example, by way of invoices or job sheets showing what work was done, when, or at what cost. He says that the garage which carried out the work only takes cash, so it is not documented. I have no reason to disbelieve him, but in the circumstances, I do not believe I can fairly require MotoNovo to reimburse him for anything other than the repair which he has shown he paid for.

I concluded that MotoNovo should pay Mr K £323, together with interest at 8% a year from 13 September 2024 until payment.

MotoNovo accepted my provisional decision, but Mr K did not.

Mr K said that he had opened a claim under his six-month warranty on 5 December 2024 and had raised his concerns with MotoNovo at around the same time. MotoNovo had however said that he should not arrange any repairs until it had completed its own investigations. By the time it had done so and told Mr K that it would not fund repairs, the six-month warranty had expired. Mr K says that the delay prevented him from proceeding with repairs under the warranty.

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.

Mr K has provided a summary of the warranty cover and evidence that he opened a claim on 5 December 2024. The warranty was provided by the dealership as part of the price of the van.

I do not believe, however, that Mr K has shown that the warranty claim was declined because of any delay on the part of MotoNovo. In fact, the warranty documents are in some ways consistent with MotoNovo's position. They say that no repairs should be carried out before the warranty provider has had an opportunity to assess them and given approval for them to go ahead. They also say that the warranty provider might need to arrange an independent inspection. I think it unlikely, therefore, that a warranty claim would have been declined solely because of the time taken to investigate a claim. Further, the claim arose when the engine failed – that is, within the warranty period. I am not persuaded therefore that MotoNovo's actions in obtaining an expert's report and considering its findings would have had any effect on a warranty claim. Under a warranty of this nature, it is not usually a requirement that repairs be completed within the warranty period – just that the need for them arises.

But in any event, I don't believe MotoNovo's actions were unreasonable or that there were any real delays in assessing Mr K's complaint. An inspection was arranged without delay, and MotoNovo considered what it said and told Mr K what it had concluded soon afterwards.

There is of course no guarantee that a warranty claim, had Mr K pursued it, would have succeeded. The warranty provider might have declined the claim for the same reasons as MotoNovo did – wear and tear. And I note too that, given the van's mileage, Mr K would have had to make a significant contribution in any event.

For these reasons, I have not changed my overall view of the complaint. I note that MotoNovo accepted my provisional findings, but I will make a formal award, so that Mr K can enforce it, should he need to do so.

My final decision

My final decision is that, to resolve Mr K's complaint in full, MotoNovo Finance Limited should pay him £323 together with interest at 8% a year from 13 September 2024 until the date of payment.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 14 January 2026.

Mike Ingram
Ombudsman