

The complaint

Miss S complains that a car acquired under a hire purchase agreement with MotoNovo Finance Limited (“MotoNovo”) wasn’t of satisfactory quality when it was supplied to her. She would like to reject the car.

What happened

Both parties are familiar with the background of this complaint so I will only summarise what happened briefly here.

In December 2024, Miss S entered into an agreement to acquire a used car from a dealership (T). Miss S paid a deposit of £2,539, with the purchase balance being provided under a hire purchase agreement with MotoNovo. The car was approximately seven years old and had covered approximately 34,100 miles when the agreement started. The agreement was for 60 months, with 59 monthly repayments of £192.24 and a final monthly repayment of £193.24. The cash price of the car was £10,647.

In February 2025, the car broke down on the motorway. The mileage at this point was approximately 35,100. Miss S called out a breakdown recovery company, who diagnosed a fault with the solenoid valve. They applied a temporary fix to the car and removed any fault codes, so that Miss S could continue with her journey. Miss S got in touch with T, but they told her they didn’t have the facilities to undertake any work and asked her to speak to her warranty company and arrange a diagnostic test. The warranty provider told Miss S to seek help from an approved garage.

Miss S did this and was informed the battery charge was low and that was likely to be the problem. She went ahead and had the battery changed, and provided all the reports to T. However, in June 2025 the car broke down again. Miss S again contacted the warranty provider, and she took the car to a manufacturer-approved garage for assessment. They completed a diagnostic test and found the stored code removed by the breakdown recovery agent – and this showed a fault with the camshaft dephaser. A subsequent inspection of the wet timing belt confirmed it was frayed and worn. The car had covered approximately 36,200 miles at this time – Miss S had covered approximately 2,000 miles in it in the time she’d been in possession of it.

Miss S complained to MotoNovo at this point. She wanted to reject the car because of the faults with it. MotoNovo took some time to respond to Miss S’s complaint – and in September 2025 they arranged for an independent inspection of the car to take place. The independent inspection report concluded that the wet timing belt had failed prematurely, considering the mileage the car had covered, and would have been faulty at the point of supply.

While MotoNovo were considering the complaint, Miss S brought it to our service. Our investigator said that she was satisfied the car was of unsatisfactory quality when it was supplied to Miss S, and she felt T had had an opportunity to repair it back in February 2025 when Miss S had first raised any concerns with it. Because of that, she said Miss S should be allowed to reject the car and MotoNovo should end the agreement and take the car back.

She said they should refund Miss S's deposit to her, along with all monthly repayments she had made since June 2025, as she had been without use of the car since that time because of the faults. She also said MotoNovo should reimburse Miss S for additional costs incurred and pay her £200 compensation to reflect the upset being supplied with a car of unsatisfactory quality had caused.

MotoNovo didn't agree. They felt T hadn't had an opportunity to repair and should be granted one.

As MotoNovo didn't accept, the complaint 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.

When considering what is fair and reasonable, I'm required to take into account: relevant law and regulations, relevant regulatory rules, guidance and standards and codes of practice.

Both parties have provided a lot of information here. I'd like to reassure them that I've read and considered everything that's been sent, although I haven't commented on it all within this decision. I will be focussing on what I consider to be the key points of this complaint. This is not intended as a discourtesy but reflects the informal nature of this service in resolving disputes.

As the hire purchase agreement entered by Miss S is a regulated consumer credit agreement this service is able to consider complaints relating to it. MotoNovo are also the supplier of the goods under this type of agreement and are responsible for a complaint about their quality.

The Consumer Rights Act 2015 (CRA) also covers agreements like the one Miss S entered. Because MotoNovo supplied the goods under a hire purchase agreement there's an implied term that it is of satisfactory quality at the point of supply. Cars are of satisfactory quality if they are of a standard that a reasonable person would find acceptable, taking into account factors such as, amongst other things, the age and mileage of the car and the price paid.

The CRA also says that the quality of goods includes their general state and condition, and other things like their fitness for purpose, appearance and finish, freedom from minor defects and safety can be aspects of the quality of the goods.

Satisfactory quality also covers durability. For cars, this means the components must last a reasonable amount of time. Of course, durability will depend on various factors. In Miss S's case, the car was used and covered approximately 34,100 miles when she acquired it. So, I'd have different expectations of it compared to a brand-new car. Having said that, the car's condition should have met the standard a reasonable person would consider satisfactory, given its age, mileage, and price.

Our investigator has explained that she thinks the car wasn't of satisfactory quality when it was supplied to Miss S. MotoNovo seem to agree with that – although they believe T should still have an opportunity to repair. For completeness, I agree that the car wasn't of satisfactory quality when it was supplied to Miss S. Having considered everything provided, I'm satisfied that she should now be able to reject the car. I'll explain why.

The CRA explains that where goods are found not to have conformed to the contract within the first six months, it is presumed the goods did not conform to the contract at the point of

supply. Unless the supplier, MotoNovo in this case, can prove otherwise. Miss S brought the concerns with the car to MotoNovo's attention in June 2025, approximately five months after she'd been supplied with it. So, I need to consider if MotoNovo have done as I would expect them to have done to try and determine liability for the faults, and whether they had been present at the point of supply.

MotoNovo arranged for an independent inspection of the car to take place. The mileage of the car at this time was approximately 36,200. This inspection report is the most persuasive piece of evidence provided in this case. It was a visual inspection of the car by a qualified motor technician. The report concluded that the faults with the wet timing belt had occurred prematurely and brought the durability of the car into question. It went on to say that, even though there was a lack of service history, no fault could be attributed to Miss S, and the mileage of the car at the time of the faults showed the wet timing belt had failed prematurely, and the fault would have been present or developing at the point the car was supplied to Miss S.

MotoNovo accepted this but believe that T should have one opportunity to repair the car, and they haven't yet been provided with this opportunity. But I disagree with that. Miss S got in touch with T in February 2025 when the initial fault appeared and was told by T that they couldn't facilitate any repairs, and they asked her to approach an approved garage to determine the fault. Miss S did this, and I think it was reasonable of her to follow the advice given to her by the approved garage at the time. She also provided T with the diagnostic report and confirmed she'd paid to have the battery replaced, on the approved garage's recommendation, so she could continue to use the car. Had T had any concerns at that point, they had the opportunity to let Miss S know and make secondary arrangements to have the car inspected. They didn't decide to do that – and I'm satisfied this was their opportunity to assess and repair the car. I'm also satisfied Miss S hasn't prejudiced MotoNovo's position here, as I'm satisfied that, had she notified them of the fault when it first appeared in February 2025, they would have instructed her to contact T as the selling dealership and also the provider of the warranty. As I'm satisfied one opportunity to repair has already been provided, it follows that I'm satisfied that Miss S should now be allowed to reject the car.

However, even if I were to be satisfied that one opportunity to repair hadn't been provided at this stage, I'd still be persuaded that Miss S could reject the car.

The CRA allows for one opportunity to repair, but it also says those repairs should be completed in a reasonable amount of time, and with minimal inconvenience to the consumer. In Miss S's case, she notified MotoNovo of her ongoing concerns with the car in June 2025 and supported her concerns with evidence from a manufacturer-approved garage that confirmed the faults with the wet timing belt and possibly other components. MotoNovo didn't arrange for the independent report to take place until September 2025 – three months after Miss S had raised her concerns to them – and they hadn't provided a final response to her complaint by the time our investigator had reviewed things and provided her outcome.

Considering Miss S had been told in June 2025 to stop using the car for safety reasons and to prevent ongoing damage being caused, and considering she had continued to make her monthly repayments despite not having use of the car, I'm not satisfied that now allowing an opportunity to repair could be considered as being completed in a reasonable amount of time or without significant inconvenience to Miss S. So, I'm not satisfied that is now an appropriate remedy in this case, and rejection of the car is the most appropriate way to resolve things. MotoNovo should end the agreement, and arrange to take the car back at no cost to Miss S. They should also refund her deposit payment.

The CRA says that a deduction can be made from any refund to take account of the use the consumer has had of the goods since they were delivered. It doesn't set out how to calculate fair usage and there's no exact formula for me to use. There's not an industry standard mileage figure. My role is to decide cases quickly and informally – and I have to bear in mind that Miss S has driven the car approximately 2,000 miles in the period she was in possession of it between December 2024 and June 2025. So, in this case I think it's fair that MotoNovo can keep all the monthly repayments Miss S has made to the agreement between those dates.

But it's clear that Miss S stopped using the car in June 2025 on advice from the manufacturer-approved garage. Continued use could have had a catastrophic effect on the car's engine. So, I'm satisfied Miss S should receive a refund of all the monthly repayments she has made towards the agreement from June 2025 onwards, as she has been without use of the car since that time.

Miss S has also paid for a new battery. I understand £50 of that cost was refunded to her by T, but I'm satisfied MotoNovo should refund her the remainder. Miss S will not be getting the benefit of the new battery as she's rejecting the car. She also paid for a diagnostic report to be carried out to try and determine the fault present in the car. MotoNovo should refund the cost of the report too.

Miss S has also explained the impact having a car of unsatisfactory quality has had on her. It's clearly been a troubling time for her, and she's been without a car now for a significant period of time. No amount of money can change what's happened, and I'm aware MotoNovo have previously paid Miss S £350 for the delay in arranging the independent report. However, Miss S has also explained the impact this situation has had on her health, and for that I'm satisfied MotoNovo should pay Miss S a further £200 to reflect this impact, and for the upset caused to her by being supplied with a car of unsatisfactory quality.

I'd like to remind Miss S that she's able to reject this decision if she thinks she can achieve a better outcome by alternative means, such as through the courts.

My final decision

For the reasons above, I uphold this complaint. MotoNovo Finance Limited must:

- End the finance agreement ensuring Miss S is not liable for monthly repayments after the point of collection (they should refund Miss S any overpayment for these if applicable).
- Take the car back (if this has not been done already) without charging Miss S for collection.
- Refund Miss S's deposit of £2,539.
- Refund Miss S all monthly repayments made from June 2025 to the date of settlement, when the car stopped being used due to the faults with it.
- Refund Miss S £168.99 for the battery replacement in February 2025.
- Refund Miss S £78 for the diagnostic report she had completed in June 2025.
- Pay 8% simple interest on all refunded amounts, from the date of payment until the date of settlement.*
- Pay Miss S £200 compensation to reflect the upset caused to her by being supplied with a car of unsatisfactory quality.
- Remove all adverse information, in relation to this agreement, from Miss S's credit file (if applicable).

*If MotoNovo Finance Limited consider that they're required by HM Revenue & Customs to deduct income tax from that interest, they should tell Miss S how much they've taken off. They should also give her 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 Miss S to accept or reject my decision before 9 April 2026.

Kevin Parmenter
Ombudsman