

The complaint

Mrs M is unhappy that a car supplied to her under a hire purchase agreement with MotoNovo Finance Limited was of an unsatisfactory quality.

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

What happened

In December 2024, Mrs M was supplied with a used car through a hire purchase agreement with MotoNovo. She paid an advance payment of £495, and the agreement was for £11,629 over 60 months; with 59 monthly payments of £275.72 and a final payment of £276.72. At the time of supply, the car was around seven and a half years old and had done 67,316 miles (according to the agreement).

Around four months after being supplied with the car, Mrs M complained to MotoNovo that she was having issues with the car – the fan was overrunning, there was a smell inside the car whilst driving, there were issues with the sensors and gears, and a noise from the steering wheel. She also complained about issues she’d had with the supplying dealership which had led to her having to take time off work and spend money on train tickets.

MotoNovo arranged for the car to be inspected by an independent engineer. This inspection took place on 16 April 2025 when the car had done 70,781 miles – around 3,500 miles after being supplied to Mrs M. While the engineer couldn’t replicate most of the issues complained about, they did say there was an issue with the steering when turning right – there was a slight creak due to dry bushing, and this required lubrication.

MotoNovo agreed to repair the car, and to pay Mrs M a total of £275 compensation for what had happened. Unhappy with this response Mrs M brought the matter to the Financial Ombudsman Service for investigation.

Our investigator thought that MotoNovo had made a fair and reasonable offer, and they didn’t need to do anything more.

Mrs M didn’t agree with the investigator’s opinion. She said that, along with the issues related to the steering, there was still an ongoing issue with the parking sensors, which the supplying dealership had failed to fix on two separate occasions. So, she thought the car wasn’t of a satisfactory quality, and she said she was asserting her right of rejection.

Mrs M provided a vehicle health check, dated 1 August 2025, when the car had done 74,625 miles, which said *“both front and rear parking sensors are coming off. Recommend new sensors.”* She also provided a diagnostic report dated 28 August 2025, when the car had done 75,252 miles, which said *“carried out visual check to find parking sensor front and rear damage.”* However, with regards to the steering noise, this confirmed *“road tested vehicle unable to confirm noise during test.”*

Because Mrs M 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. Mrs M 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 conform 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 Mrs M 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.

Before I explain why I've reached my decision, I think it's extremely important for me to set out exactly what I've been able to consider here. I note Mrs M is unhappy with the service she's received from the dealership in relation to the faults with the car. While section 56 of the Consumer Credit Act 1974 holds MotoNovo liable for the actions of the dealership, this is only in relation to any negotiations and representations made when supplying the car. And this does not extend to any service provided after the car is supplied.

So, the way the dealership dealt with the issues with the car hasn't been considered as part of this decision – I'm only considering MotoNovo's actions. If Mrs M remains dissatisfied with the dealership's actions, she will need to raise a complaint against them directly.

I've seen that Mrs M first raised her issues with the car to the dealership on 23 December 2024. However, the only issue raised was the smell in the car whilst driving. While I've noted the dealership deny this, I've seen that Mrs M said she took the car back for investigation in early January 2025. There's no evidence to show that any fault was found.

Mrs M emailed the dealership again on 14 February 2025. She again said about the smell in the car, but also said the fan was overrunning and there was a difficulty changing gears. The car was with the dealership for two days, and no faults were found. However, the dealership completed a complementary service and cleaned the dirt off the front parking sensors.

Turning to the independent engineer's report, I've noted the engineer also confirmed their duty is to the courts, not to the person who instructed or paid for the report. As such, I'm satisfied this report is reasonable to rely upon.

At the time of this report, the car had done around 3,500 miles since supply. The only fault that could be found was the noise from the steering wheel, which MotoNovo agreed to fix. The engineer was unable to find any other faults, including faults with the parking sensors.

The vehicle health check that was done on 1 August 2025 said the parking sensors were coming loose. However, this was when the car had done 74,625 miles – a further 3,800 miles since the independent inspection. What's more, the diagnosis on 28 August 2025 found the parking sensors to be damaged.

Based on this evidence, I'm satisfied the issue with the parking sensors wasn't present or developing when the car was supplied to Mrs M. Had they been faulty on supply, I would've expected this issue to be raised in the text message on 23 December 2024 and/or the email of 14 February 2025. And I would certainly have expected any fault to be found by the independent engineer, as this was something that was specifically checked.

So, on the balance of probabilities, I'm satisfied the parking sensor fault developed after the car was supplied. Given the age and mileage of the car at the time, I'm also satisfied this fault is most likely as a result of either age-related wear and tear, or as a result of impact damage – the 28 August 2025 report indicated the sensors had suffered some damage. As such, this doesn't make the car of an unsatisfactory quality, so Mrs M doesn't have the right of rejection.

Putting things right

The CRA allows MotoNovo the single chance of repair, and I don't think this had already taken place by the dealership potentially inspecting the car for a smell when driving in January 2025, and by inspecting the car for the driving smell, for the fan running longer than Mrs M thinks was normal, and for difficulties changing gears – no issues were ever found by the dealership relating to this, and the independent engineer has said these faults weren't present. So, I think MotoNovo should now be allowed this chance of repair.

While I also think Mrs M should be compensated for the distress and inconvenience she's been caused, 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.

MotoNovo have offered Mrs M a total compensation amount of £275 and, having considered this, I think it's a fair offer that falls in line with our service's approach and is likely more than I would've directed, had it not already been put forward. So, this is a payment MotoNovo need to make.

Therefore, if they haven't already, MotoNovo should:

- arrange to repair the steering wheel noise at no cost to Mrs M; and
- pay Mrs M the £275 total compensation they have offered. (If this hasn't already been paid, MotoNovo must pay this within 28 days of the date on which we tell them Mrs M accepts my final decision. If they pay later than this date, they 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, they must give Mrs M a certificate showing how much tax they've taken off if she asks for one.

My final decision

For the reasons explained, I uphold Mrs M'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 Mrs M to accept or reject my decision before 13 April 2026.

Andrew Burford
Ombudsman