

The complaint

Mrs G complains that the car she acquired financed through a hire purchase agreement with MotoNovo Finance Limited wasn't of satisfactory quality.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

In April 2023 Mrs G acquired a used car financed through a hire purchase agreement with MotoNovo. Mrs G said that from February 2024 she had to check the oil level and top up frequently. In March 2025 the car broke down. It was recovered to a garage which advised Mrs G that a new engine pump was required. She raised a complaint with MotoNovo.

MotoNovo requested that Mrs G arrange an independent inspection of the car. Mrs G said she wasn't able to afford this but provided a diagnostic report. In its final response MotoNovo did not uphold the complaint as the diagnostic report did not confirm the issues were present or developing at the point of sale. Mrs G wasn't happy and brought her complaint to this service.

Our investigator concluded the issues were more likely than not present or developing at the point of sale and/or were not sufficiently durable. She recommended MotoNovo arrange for the car to be repaired. MotoNovo didn't agree and asked for a decision from an ombudsman. It made some further comments to which I have responded below as appropriate.

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 agree with the conclusions reached by the investigator for the reasons I've outlined below.

In considering what is fair and reasonable I need to have regard to the relevant law and regulations, regulator's rules, guidance and standards, codes of practice and (where appropriate) what I consider having been good industry practice at the relevant time. Mrs G's hire purchase agreement is a regulated consumer agreement and as such this service can consider complaints relating to it.

MotoNovo, as the supplier of the car, was responsible for ensuring it was of satisfactory quality when it was supplied to Mrs G. Whether or not it was of satisfactory quality at that time will depend on several factors, including the age and mileage of the car and the price that was paid for it. The car was about three years old, had been driven for 27,536 miles and had a price of £12,929. Satisfactory quality also covers durability which means that the components within the car must be durable and last a reasonable amount of time – but exactly how long that time is will depend on several factors.

If I am to decide the car wasn't of satisfactory quality I must be persuaded faults were present at the point of supply. Faults that developed afterwards are not relevant, moreover even if the faults reported were present at the point of supply this will not necessarily mean the car wasn't of satisfactory quality. This is because a second-hand car might be expected to have faults related to reasonable wear and tear.

From the evidence provided I'm satisfied there is a fault with the car. I say this because I've seen a copy of a diagnostic report from a third party garage, T, provided by Mrs G which indicates an engine malfunction related to cylinder no.3 and excessive oil consumption with no oil warning displayed. Mrs G has reported she's had to top up with a lot of oil. I've also seen a copy of a recovery invoice.

MotoNovo received the diagnostic report but asked Mrs G to provide it with an independent inspection report to help establish if any fault had been present or developing at the point of sale. Given that Mrs G had had the car for two years at the time of failure this was a reasonable request by MotoNovo. Mrs G had paid for the diagnostic report from T but said she couldn't afford to commission an independent inspection.

MotoNovo told this service that to be persuaded the car was not of satisfactory quality at the time of supply it would require evidence from an expert witness, such as an independent engineer. I accept that MotoNovo made a request for an inspection and it certainly would be helpful if a report was available, but obtaining such a report isn't a legal requirement. So in the absence of a report explicitly stating the fault was present or developing at the point of sale I must carefully consider the evidence we do have.

T's diagnostic report said that a diagnostic scan was carried out on the engine malfunction and a fault code relating to combustion of cylinder number three was noted. It said it carried out a compression test and found lower compression on cylinder three in excess of manufacturer specifications. T said these engines have a known concern for oil consumption and provided a copy of the technical service bulletin (TSB). The report noted a test for oil leaks had been carried out as advised on the bulletin and found there were no natural external leaks in this engine. It said spilled oil was found due to the customer having to top up the oil. It said there was no oil warning displayed on the instrument cluster which it suspected was due to a software issue. The technician concluded:

"I suspect due to the excessive oil consumption and potentially the lack of oil circulation in engine due to no warning, we suspect this engine has internal excessive engine wear, this engine would require stripped for further investigation."

I've listened to a call between our investigator and the technician who carried out the diagnostic inspection. Mrs G's car is a V branded model of manufacturer. The garage technician confirmed the engine in Mrs G's car is from a P branded model. V and P are from the same parent company. The technician said these engines have a known concern regarding excessive oil consumption and because of the cost for the customer and to help her he recommended she take the car and the TSB about the known issue directly to V.

The technician again confirmed the absence of engine oil leaks. If an external oil leak were present then it's stated that the TSB does not apply. Mrs G has told this service she's had to top up the oil more than she would expect. She has also provided confirmation the car has been serviced regularly.

MotoNovo told this service that it was aware of issues with a small number of engines from this manufacturer but the information available here doesn't appear to be specifically for Mrs G's vehicle. While I accept MotoNovo's point it does appear the vehicle is demonstrating significant loss of oil in keeping with the primary symptom noted on the TSB. The technician

who inspected the car strongly suspected the fault with the engine was related to the issue raised in the TSB. I find the technician credible and I'm persuaded by this testimony and diagnostic report that it is more likely than not the fault is related to that noted on the technical service bulletin and as a known issue for these engines was likely present or developing at the point of sale.

In its response to our investigator's view MotoNovo said the TSB is generic and not specific to the vehicle's VIN or service history. It said:

"The garage's confirmation that the engine type matches the bulletin's scope is not, in itself, sufficient to establish that the fault was present or developing at the point of supply. Without manufacturer confirmation or a VIN-specific technical service bulletin, the application of this document to Mrs G's vehicle remains speculative."

It went on to say The Consumer Rights Act 2015 requires goods to be durable but not immune to faults indefinitely. It said the expectation of fault-free performance for over two years without any evidence of a defect at supply is not reasonable. I understand MotoNovo's point but I haven't seen anything which tells me Mrs G has an expectation that the vehicle should be fault free. While the TSB does not note the vehicle's VIN I find Mrs G's testimony regarding oil top ups required credible, and the findings of T's diagnostic match the warnings noted on the TSB, testimony I find also credible. My role is to decide what I believe is fair and reasonable and in the absence of conclusive evidence to decide what I think is more likely to be the case. In this instance I think it more likely than not the fault is that outlined on or related to the TSB.

MotoNovo has noted that the car has covered over 15,000 miles since the sale and up to the point of failure. It said if the car had not been of satisfactory quality it's unlikely it could have been used for that duration without causing significant interference.

Mrs G had told MotoNovo in February 2025 that she was putting a lot of oil in the car. And the MOT at the time had required three litres of oil. The technician confirmed on the phone call with the investigator there was no oil warning on the car and suggested this is down to a software issue. Irrespective of why it wasn't working he suggested that had the oil warning been working Mrs G would probably have topped up the engine a bit faster. So while I accept that Mrs G has been able to drive the car over 15,000 miles I don't necessarily agree with MotoNovo that there hasn't been significant interference. Mrs G has serviced the car and topped it up with oil, more than she expected to, and the oil warning light on the car wasn't working – something she likely couldn't have known until the car performance started to fail. The car has been driven less than 44,000 miles in total and a reasonable person wouldn't expect it to be consuming such a lot of oil at this point, especially as it has been serviced per the manufacturer's recommendations and regularly topped up. So I'm not persuaded the car was sufficiently durable.

I'm persuaded the car wasn't of satisfactory quality at the point of purchase and/or wasn't sufficiently durable and MotoNovo must put things right. MotoNovo is entitled to one opportunity to repair the vehicle and should be allowed to do this at no cost to Mrs G. This repair would also include the oil warning light. Mrs G should also be refunded any payments from 5 March 2025 until such time as the car is returned to her fixed. Mrs G has told this service she has incurred costs, including recovery of the car, the diagnostic report, and to have the car towed, as a result of the car failing so I think it fair she is refunded. I am also aware that this situation has caused Mrs G some distress and inconvenience so I think it fair that MotoNovo pay her £250 in compensation.

Putting things right

To put things right MotoNovo must:

- arrange for and cover the cost of the repairs to the car– these should be carried out within a reasonable timescale from the date the customer accepts this decision;
- pay a refund of rentals to cover any loss of use from 5 March 2025 until the car is returned to Mrs G repaired;
- refund the customer a total of £242 (£90 recovery, £72 diagnostic report, £80 tow) on production of receipts;
- pay 8% simple yearly interest on all refunded amounts from the date of payment until the date of settlement;
- pay a further amount of £250 for any distress or inconvenience that's been caused due to the faulty goods;
- remove any adverse information from the customer's credit file in relation to the agreement.

My final decision

My final decision is I uphold this complaint and MotoNovo Finance Limited must put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs G to accept or reject my decision before 17 February 2026.

Maxine Sutton
Ombudsman