DRN-6121149

Financial Ombudsman Service

The complaint

Mr F complains that the car he acquired through MotoNovo Finance Limited wasn't of satisfactory quality. He wants to return the car and have the credit agreement cancelled and his payments refunded.

What happened

Mr F entered into a hire purchase agreement in March 2025 to acquire a used car. The cash price of the car was £5,500 and, after taking account of the interest to be charged, the total repayable was £7,211.08. This amount was to be repaid through the credit agreement which was set up over a 48-month term with monthly payments of £150.21. At the time of acquisition, the car had already been driven more than 98,000 miles and was just over nine years old.

Mr F told us:

- Within a short time of acquiring the car, he realised that a number of systems, such as GPS had been deleted, and when he asked his garage to take a look, it identified other systems that had been removed, and it told him the car couldn't be driven – it would not be legal to do so;
- MotoNovo asked for a report on the car, and it was inspected by a mechanic, and repairs were undertaken;
- Some time later, the engine seized and he made a further complaint to MotoNovo about the satisfactory quality of the car. And MotoNovo arranged for a further inspection;
- he no longer wants to have the car, but it's the only transportation his family has use of;
- he wants to return the car, have the credit agreement cancelled, and have his payments refunded.

MotoNovo investigated both of Mr F's complaints; upholding one and rejecting the other.

In the case of Mr F's first complaint about the deletion of the AdBlue system; the EGR; and the DPF from the electrical control unit, MotoNovo accepted that Mr F had arranged for two diagnostics to be completed, and that he'd paid for these himself. And MotoNovo noted that the supplying dealership had agreed to cover the cost of these repairs.

Initially, the supplying dealership had intended to carry out the repairs at its premises, but when Mr F highlighted that this would result in a four hour round trip for him, along with waiting time whilst the work was undertaken, MotoNovo said it had intervened and asked the supplying dealership to arrange repairs local to Mr F, or for it to cover the cost of transporting the car to/from its premises for repair. MotoNovo said it also asked the supplying dealership to make a courtesy car available to Mr F is one were available.

MotoNovo said the repairs would be carried out at no cost to Mr F, and it would reimburse him the £152 he'd paid for the diagnostics together with a further £100 compensation for the distress and inconvenience he'd experienced.

But for Mr F's second complaint – the one about the seizure of the engine – MotoNovo said it wouldn't uphold this complaint. It explained that it had arranged for an independent inspection of the car to determine whether the fault highlighted by Mr F were present or developing at the point of supply. And it said the independent expert concluded that the engine damage was a result of the car having been driven with insufficient oil; it was a result of poor maintenance. And it concluded that neither the supplying dealership nor MotoNovo could be held responsible for what had happened.

Our Investigator looked at this complaint and said she didn't think it should be upheld. She went on to explain that just because something had gone wrong with the car, it didn't mean that it was of unsatisfactory quality when it was supplied, and she explained the relevance of the Consumer Rights Act 2015 ("CRA") in the circumstances of this case.

Our Investigator said that taking into account that the initial issues had been repaired at no cost to Mr F, she'd seen no evidence that there was a fault with the engine that had been present or developing when MotoNovo supplied Mr F with the car. She said the report was clear – the car had been driven with an insufficient level of oil; the car had been poorly maintained.

Mr F disagrees so the complaint comes to me to decide. He said that an oil warning light did not illuminate at any point – there was simply no signs of the oil being low or the need for him to top it up.

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 conclusion to that of our investigator, and I don't think this complaint should be upheld – and I'll explain why.

I hope that Mr F won't take it as a discourtesy that I've condensed his complaint in the way that I have. Ours is an *informal* dispute resolution service, and I've concentrated on what I consider to be the crux of this complaint. Our rules allow me to do that. Mr F should note, however, that although I may not address each individual point that he's raised, I have given careful consideration to all of his submissions before arriving at my decision.

When looking at this complaint I need to have regard to the relevant laws and regulations, but I am not bound by them when I consider what is fair and reasonable.

As the hire purchase agreement entered into by Mr F is a regulated consumer credit agreement this Service is able to consider complaints relating to it. MotoNovo is also the supplier of the goods under this type of agreement, and it is responsible for a complaint about their quality.

Under the Consumer Rights Act 2015 ("CRA") there is an implied term that when goods are supplied "the quality of the goods is satisfactory". The relevant law says that the quality of the goods is satisfactory if they meet the standard that a reasonable person would consider satisfactory taking into account any description of the goods, price and all other relevant circumstances.

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

what I need to consider in this case is whether the car *supplied* to Mr F was of satisfactory quality or not.

The CRA also says that, 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. But, if the fault is identified after the first six months, then it's for Mr F to show the fault was present when he first acquired the car. So, if I thought the car was faulty when Mr F took possession of it, and this made the car not of a satisfactory quality, it'd be fair and reasonable to ask MotoNovo to put this right.

I don't think there's any dispute that Mr F has experienced problems with the car. That has been well evidenced by his testimony and the other evidence such as the diagnostics that he submitted. And it seems to me that MotoNovo doesn't dispute this either; the independent report it commissioned supports Mr F's position and confirms the engine is seized.

Looking at the first faults that Mr F complained about, I'm satisfied that MotoNovo did what we'd expect it to do to resolve this matter. Having satisfied itself that the repairs would be undertaken by the supplying dealership, and at no cost to Mr F, it used its influence to minimise his inconvenience, and it asked that the repairs be completed locally to Mr F, or that the supplying dealership make arrangements to transport the car. MotoNovo also reimbursed Mr F for the costs of the diagnostics, and it paid him some compensation. I think its actions were fair and reasonable and I won't ask it to do anything more.

Next, I've looked at the matter of the seized engine, and although I accept that there has clearly been an issue that manifested itself with the fault he's complained about, MotoNovo would only be responsible for putting things right if I'm satisfied that this fault was present or developing when the car was supplied.

The single most compelling piece of evidence here is the report from the independent engineer. The independent engineer is appropriately qualified to assess vehicles and compile a report of findings, and they conducted a physical examination of the car.

I've read the report carefully, and I'm satisfied that the engineer was provided with an accurate background that clearly set out the issues. I say this because the report states:

"The customer reports:

- *Engine stopped running and will not restart.*
- *Prior to failure, the vehicle had AdBlue, EGR and DPF systems deleted from the ECU (confirmed during scan).*
- *Vehicle now exhibits a seized engine".*

And I'm satisfied that the engineer was given clear instructions about what they needed to assess, so that MotoNovo's responsibility in the circumstances of the CRA could be established. The report captures this as:

"MotoNovo instructed Scotia to determine:

- *What is wrong with the vehicle?*
- *Cause of the fault.*
- *Whether failure relates to prior repairs / ECU deletion.*
- *Whether the fault was present or developing at point of sale.*
- *Whether the vehicle has demonstrated durability".*

In their report, the engineer said the following:

- *“Dipstick shows no measurable engine oil.*
- *No visible oil leaks beneath vehicle or in engine bay.*
- *Engine was unable to rotate when crank was attempted → confirmed seizure*

Diagnostic scan results - These confirm oil pressure regulation faults occurred prior to engine seizure. No codes exist relating to sudden mechanical breakage”.

So, I’m satisfied that the fault that Mr F complained of is present and as he described.

But the simple existence of the fault in itself isn’t enough to hold MotoNovo responsible for repairing the car or accepting its rejection. The legislation says that this will only be the case if the fault was present or developing at the point of supply; the car supplied was not of satisfactory quality.

The independent report went on to address this, and confirmed that their opinion was based on *“on a physical assessment, written and verbal information supplied, observations made by the engineer, and our previous experience”.*

And the engineer made the following key conclusions:

- *“The engine has seized due to prolonged low oil level”.*
- *“No external leaks indicate oil level fell over time and was not monitored”.*
- *“Engine control module logged oil pressure and oil control / regulation fault codes prior to seizure”.*
- *“The vehicle has covered 5,837 miles post-sale, confirming durability and correct operation at point of sale”.*
- *“ECU emissions modifications (DPF/AdBlue/EGR deletes) did not cause the engine seizure”.*

“The failure pattern is consistent with operation of the engine with insufficient oil, causing oil starvation leading to seizure.

There is no evidence to support: sudden internal mechanical failure, pre-existing defect at point of sale, dealer liability”

The engineer summarised their opinion by saying that *“maintenance-related issues on used vehicles fall to the vehicle owner. Checking engine oil level is considered basic maintenance. Running a vehicle with insufficient oil constitutes owner neglect, not dealer liability” … “A vehicle demonstrating durability by covering several thousand miles after sale indicates fitness at point of sale”.*

So, on the basis that this fault was *not* present or developing at the point of supply; and I’ve seen nothing to suggest the fault was the result of previous repairs that subsequently failed, I simply can’t say that the seizure of the engine makes the car to be not of satisfactory quality when it was supplied.

Mr F challenged the engineers conclusions, and we asked the engineer whether Mr F’s submissions altered their conclusions. They confirmed that their position remained unchanged.

I have to tell Mr F that the engineer made no cautionary statements about the conclusions reached, or that a different conclusion may have been reached with additional information. The instruction of an independent inspection is what’s required and expected of MotoNovo in

these circumstances. And in the absence of any other persuasive and independent evidence to the contrary, I’m not persuaded that the seized engine is MotoNovo’s responsibility.

Taking into account all the evidence, I can’t uphold this complaint. I know Mr F will be disappointed with this decision, but I hope he understands why I’ve reached the conclusions that I have.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr F to accept or reject my decision before 9 March 2026.

Andrew Macnamara
Ombudsman