

## **The complaint**

Mr H complains that FirstRand Bank Limited trading as Motonovo Finance wrongly recorded the make and model of the car he'd acquired via a hire purchase agreement on the documentation. He says this would have had legal implications for him.

## **What happened**

In March 2019 Mr H decided to buy a used car from a dealer. He entered into a 49-month hire purchase agreement with Motonovo to finance the purchase. The agreement set out there were 48 monthly payments of £117.88, a payment of £316.88 in the 49<sup>th</sup> month and total fees of £199 payable at the end of the contract which included the option to purchase fee.

Mr H made regularly payments under the agreement and in January 2023 decided to use the car in part-exchange for another vehicle which was being sold by another dealer. He says that after he traded the car in he was told by this other dealer that the hire purchase agreement had been settled in full.

In March 2023 Mr H received a letter from Motonovo stating there were arrears on his account, and that he still owed two months payments. On contacting Motonovo, Mr H then discovered that the first car had been wrongly described by both make and model on the hire purchase agreement. He complained to Motonovo about the implications of this error.

Mr H says that he was told by Motonovo that it agreed there was a mistake and that he received an offer to cover the outstanding balance as well as compensation. He says that subsequently this didn't happen.

Mr H paid the outstanding amount on the account. He later received a final response letter from Motonovo which set out that it accepted there was an error as to the vehicle recorded on the hire purchase agreement, but the chassis number and registration plate were both correctly shown. It said the correct vehicle was also shown on the HPI. Motonovo said that the error as to the make and model on the HP agreement wouldn't affect Mr H.

Motonovo said that the outstanding amount had been correctly raised with Mr H and were in accordance with the agreement's terms and conditions as to the fees added to the end of the agreement. It said it would uphold his complaint in regard to the wrong vehicle, but it didn't offer Mr H any compensation or to waive the amount that had been outstanding.

Mr H was unhappy at Motonovo's response to his complaint and complained to this service. He said the hire purchase agreement had been set up all wrong and he was concerned that the wrong vehicle being recorded on the finance documentation could have caused him legal problems had he had an accident or involvement with the police for any reason. He said he had been paying for a car he had never owned for four years.

Our investigator didn't recommend that Mr H's complaint should be upheld. He said that while he appreciated Mr H found this error frustrating there wasn't any reason to believe there would have been any legal implications for him because of it. Our investigator said that

he hadn't seen any evidence that Motonovo had offered Mr H any compensation in relation to this mistake and that the outstanding amount it had requested in March 2023 was correct.

Mr H disagreed with our investigator's view. He said that the error was due to Motonovo and that it had continued to wrongly refer to the car's make and model even though it was aware this was incorrect. He said he had been paying for a car that wasn't in his possession.

As the parties were unable to reach an agreement the complaint has been passed to me.

### **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.

I appreciate Mr H's strength of feeling that there was something wrong with his hire purchase agreement but, while this will be of disappointment to him, I'm not going to uphold his complaint. I will explain why below.

It isn't disputed by Motonovo that the car is wrongly described in terms of its make and model in the hire purchase agreement. And I acknowledge that this doesn't only appear once on the document but in several places. However, the agreement also has recorded on it the chassis number and the registration, and both of these are for the correct car.

Mr H says he's been advised that the error as to the car's make and model could have had legal implications for him. However, Motonovo says the administrative error wouldn't have had any impact on the agreement. Looking at the hire purchase, I don't think Mr H has been given the correct advice as the effect of this mistake. I think there is sufficient information on the agreement to correctly identify the car so the finance agreement's standing wouldn't be affected. That means that Mr H rights and responsibilities under the hire purchase agreement still applied. He was entitled to use the car and had obligations regarding making the monthly payments and keeping it insured and maintained. I don't agree he had been paying for a car that he didn't have.

I also disagree that this issue would have rendered void any insurance policy in place for the car since the policy itself would correctly have set out the make and model. And, as set out above, Mr H had the right to use the vehicle.

Mr H says that he was told by the dealer it was Motonovo's mistake and Motonovo says it was the dealer's error. But since this error was purely administrative, I don't think it matters where it originated from.

Mr H has also said that he didn't have a copy of the financial agreement so was unaware of how the car had been recorded. I don't know why he didn't have a copy, but I think it's reasonable to say that Mr H could have requested a copy at any time during the life of the hire purchase.

Mr H has paid the outstanding amount on the agreement so there is now no outstanding balance. I can appreciate it would have been frustrating for Mr H to have been told he didn't owe anything when the car was traded in and then be contacted about an outstanding amount. However, looking at Mr H's account and the applicable fees that were due when the agreement ended, I think these have been correctly applied.

I haven't seen anything that would support Mr H's belief that Motonovo was to pay him compensation for the error on the financial agreement, I've looked through the contact notes and its final response letter and this isn't mentioned. So, I can't reasonably say this offer was

made.

While I agree there was an error on the financial agreement, I'm satisfied that this wouldn't have had any consequences or impact on Mr H. I don't think Motonovo acted unfairly when considering Mr H's complaint and reaching the conclusion that it did. And for the reasons given above, I'm not upholding Mr H's complaint.

### **My final decision**

For the reasons set out above, I'm not upholding Mr H's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 15 January 2024.

Jocelyn Griffith  
**Ombudsman**