

## The complaint

Mr D feels he was given incorrect information before he took out a hire purchase agreement with MotoNovo Finance Limited.

## What happened

In November Mr D took out a hire purchase agreement with MotoNovo for a car. The finance agreement said that he had to repay £34,881.76 in total, including a deposit amount of minus £1,407.24.

Later, when he logged on to his online account, he found that the amount outstanding was showing as £36,289. He felt he was given incorrect information, so he complained.

Mr D says he spoke to multiple advisors from MotoNovo who told him that they hadn't seen a discrepancy like this before. After investigating his complaint, MotoNovo contacted him with their final response. They explained that the difference in figures was because Mr D had negative equity under a finance agreement he had for a previous car he traded in, this was then included in the new hire purchase agreement as a minus deposit amount.

Unhappy with this response, Mr D brought his complaint to us.

An investigator looked into what happened and said that she didn't think Mr D had been given incorrect information. She said this because she felt the agreement was clear that the total amount owed included a deposit amount of minus £1,407.24.

Mr D didn't agree with the investigator's findings, so the case has been passed to me to review.

## 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've taken a look at Mr D's hire purchase agreement, and I can see that under the section *The total amount you will have to pay*, it says £34,881.76. It goes on to explain that this is made up of a deposit amount of minus £1,407.25 plus the total amount of credit.

The other figures on the agreement, including the cash price of the car, interest, duration, and monthly repayments all include the minus deposit amount of £1,407.25.

Reading the agreement in full, I think it's clear that the deposit amount is a minus figure and so needed to be added to the figure for the total amount payable.

I also can't ignore that the hire purchase agreement clearly details that Mr D part exchanged his previous vehicle for £11,500 but still had £12,907.24 outstanding on his previous agreement. So, Mr D would've been aware that the car he traded in had negative equity.

And I think it is reasonable to expect that this negative equity would form part of the new agreement.

I know it must have been disconcerting for Mr D to find that MotoNovo's advisors couldn't give him an explanation on why the figures were different initially. But, overall, I think the negative equity was sufficiently prominent on the finance agreement. Although I can understand why Mr D needed to ask MotoNovo questions about the total amount he owed, I can't agree that he has been given incorrect information.

I've also considered that the amount of £1,407.25 was always money owed to MotoNovo from Mr D's previous finance agreement. And so, I don't think it is unfair that they have included this in the total amount he owes them.

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 14 April 2025.

Ami Bains  
**Ombudsman**