

## The complaint

Mrs H complains that MotoNovo Finance Limited (“MotoNovo”) took an overpayment from her when she made the last payment due under her car finance agreement.

## What happened

Mrs H took out a hire purchase agreement with MotoNovo in May 2018. The agreement required 59 payments of £158.82 followed by a final payment of £367.82. These payments were due to be taken by direct debit.

Mrs H was from time to time making overpayments towards paying off her agreement sooner. MotoNovo had told her it was possible to do this when paying by its app. When the last payment was due under the terms of the agreement, on 26 June 2023, MotoNovo took the full final sum, without making allowance for the additional sums Mrs H had already paid.

When Mrs H told MotoNovo that an overpayment had been made, it refunded the amount due to Mrs H – an overpayment of £285.46. This was made on 29 June 2023.

Mrs H is unhappy that MotoNovo took the overpayment and only then realised that Mrs H was due a refund.

MotoNovo says it’s up to its customers to make it aware that overpayments have been made.

On 16 May 2024 I issued my provisional decision in which I explained why, taking into consideration the specific facts and circumstances of this complaint, I thought MotoNovo ought to pay Mrs H £50 as a goodwill gesture. Essentially, I didn’t think it was unreasonable for Mrs H to expect that the amount she had to pay at the end of the agreement would be adjusted to take into consideration the overpayments she’d previously made.

I set out an extract below:

*“Mrs H says she was made aware from the outset of the agreement that it was possible to make overpayments on top of her scheduled payments. She said that she was told this could be done via an app. She says she wasn’t told by MotoNovo that they wouldn’t be aware of the payments made on the app.*

*I haven’t seen the exact information setting out how paying via app works. But there’s no dispute that Mrs H made a number of overpayments this way over the life of the agreement. So Mrs H was aware it was possible to make additional payments this way without causing any problems arising about her record of payments.*

*MotoNovo says that it can only know about an overpayment once it has been made and then it can do something about it. That’s because of the way the payment system it has put in place apparently operates. That’s not something I propose commenting on here.*



*But I do consider that if Mrs H was told she could make overpayments towards paying off her finance faster, I don't think it's unreasonable for her to have an expectation that when the time came to make the last repayment on the agreement schedule, the sum due would be automatically adjusted. And if the adjustment wouldn't be automatic, that it would at least be flagged for the attention of a MotoNovo employee who could then do the necessary calculation to arrive at the final figure that would be due to settle the agreement."*

Mrs H acknowledged receipt of my provisional decision and said she accepted the offer as fair and reasonable.

MotoNovo hasn't responded, either to acknowledge receipt or make comment.

### **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.

Mrs H has accepted my provisional findings and the award I have made for distress and inconvenience. In the absence of any response from MotoNovo, my final decision is to uphold this complaint and make an award for compensation for distress and inconvenience of £50.

### **Putting things right – what MotoNovo needs to do**

I require MotoNovo to pay Mrs H a compensation payment of £50 for the distress and inconvenience it has caused her. I think this sum represents fair compensation for what happened, based on the evidence and information I've seen.

I request that MotoNovo ensures that this payment is made to Mrs H no later than 14 days from the date of this decision.

### **My final decision**

For the reasons I've given in my provisional decision and above, I uphold Mrs H's complaint and make an award in her favour of £50 for MotoNovo Finance Limited to pay her as compensation for the distress and inconvenience resulting from what happened.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 28 June 2024.

Michael Goldberg  
**Ombudsman**