

## The complaint

Mrs S complains that MotoNovo Finance Limited (MotoNovo) lent to her irresponsibly.

## What happened

On 30 May 2019, Mrs S entered into a hire purchase agreement with MotoNovo as shown below, to buy a used car. The agreement was paid in full by August 2021.

Date	Amount of credit	Term	Monthly payment	Total repayable
30 May 2019	£7,852.49	60 months	£203.75	£12,848.20

On 13 February 2024, Mrs S complained to MotoNovo with the help of a professional representative. In her complaint, Mrs S said at the time of the lending MotoNovo failed to perform proportionate checks and she didn't think MotoNovo had lent to her responsibly.

MotoNovo looked into the complaint and issued a final response letter saying it didn't think it had acted unfairly. It said it confirmed the agreement was affordable for her by checking the information the credit reference agencies held about her and asked Mrs S about her income. Having done this, it felt the agreement was affordable for Mrs S. MotoNovo also said that Mrs S hadn't struggled to repay the agreement and had repaid the lending within the terms of the agreement.

Mrs S didn't accept MotoNovo's response, so she referred her complaint to our service with the help of her representative. One of our investigators looked into it. Based on the evidence that was available, our investigator said he couldn't reasonably conclude that the lending was irresponsible, or that the relationship was unfair.

Mrs S didn't accept what our investigator said so as there was no agreement, the complaint has been passed to me to decide.

## 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 outcome the investigator reached for broadly the same reasons.

I think there are key questions I need to consider in order to decide what is fair and reasonable in this case:

- Did MotoNovo carry out reasonable and proportionate checks to satisfy itself that Mrs S was in a position to sustainably repay the credit?
- If not, what would reasonable and proportionate checks have shown at the time?
- Did MotoNovo make a fair lending decision?

- Did MotoNovo act unfairly or unreasonably towards Mrs S in some other way?

MotoNovo had to carry out reasonable and proportionate checks to satisfy itself that Mrs S would be able to repay the credit sustainably. It's not about MotoNovo assessing the likelihood of it being repaid, but it had to consider the impact of the repayments on her.

There is no set list of checks that it had to do, but it could take into account several different things such as the amount and length of the credit, the amount of the monthly repayments and the overall circumstances of the borrower.

MotoNovo has explained that it carried out a full credit search to get an understanding of Mrs S's situation before it decided to lend to her. It said this revealed her level of active borrowing was reasonable, she had no County Court Judgements (CCJs) debt management plans, bankruptcies, IVAs, defaults or late payments. Given this, MotoNovo was content to continue with its checks.

Mrs S has since provided this service with a copy of her credit file from 2024 and this shows there were some late payments recorded in the run up to the lending decision. But I must consider what information was available to MotoNovo at the time of the application and I can't see from the evidence provided that this information about the late payments was available to MotoNovo at the time.

MotoNovo said Mrs S told it her income was £17,000 a year but I can't see it verified this or took account of Mrs S' essential expenditure. Given the length and level of the lending, I think it would have been reasonable for MotoNovo to get a better understanding of Mrs S financial situation and disposable income before lending to her.

There are a number of ways it could have done this, but for the avoidance of doubt, I'm not making a finding here that MotoNovo needed to see Mrs S' statements in order to complete its own income and expenditure assessment. That said Mrs S has been able to provide this service with copy bank statements from the time of the lending. In the absence of any other evidence, I think it reasonable to rely on these to establish what MotoNovo would likely have found had it completed proportionate checks.

I've reviewed Mrs S' statements for both her sole and joint account and it appears some liabilities were being paid by Mrs S and a third party. It's difficult to be clear what specifically Mrs S was solely liable for in regard to the transactions on the joint account. But having reviewed those that I can be relatively sure were Mrs S's responsibility, plus a sum for shared costs against her income, I'm satisfied Mrs S had a reasonable amount of disposable income. I think if MotoNovo had asked Mrs S about her income and expenditure it would have fairly concluded that she would have had enough disposable income to be able to afford the repayments due under the agreement.

So, based on the information available to me, I can't reasonably conclude that MotoNovo acted unfairly when it agreed to lend to Mrs S.

MotoNovo has shown that Mrs S made repayments without issue until she settled the agreement in full in August 2021. So I'm not persuaded there were any signs of financial difficulty that MotoNovo should have reacted to during the life of the agreement.

Given this, based on the available evidence, it's not clear enough to me that MotoNovo created unfairness in its relationship with Mrs S by lending to her irresponsibly, or in the way it handled the account under the credit agreement. So, I don't find that Mrs S's relationship with MotoNovo was unfair, and I can't conclude MotoNovo treated Mrs S unfairly in any other way based on what I've seen.

**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 Mrs S to accept or reject my decision before 24 July 2025.

Charlotte Roberts  
**Ombudsman**