

## The complaint

Miss B has complained that, with regard to a car she acquired using a hire-purchase agreement with MotoNovo Finance Limited ("MotoNovo"), MotoNovo would not refinance the balloon payment due at the end of the agreement. She was also unhappy that there was a discrepancy in the mileage history that led her to have difficulty in refinancing the balloon payment elsewhere, and she feels that the car was misrepresented to her.

## What happened

Miss B acquired a used Mercedes in March 2021 using a hire purchase agreement with MotoNovo. The agreement shows that the car cost £13,000, of which Miss B borrowed £12,118 over a term of 48 months, with a monthly repayment of £200.77. A final payment – the balloon payment – of £5,781 was due at the end of the term if Miss B wanted to keep the car. The car was around three and a half years old at the point of supply, and the mileage listed on the agreement was just under 20,000 miles. The agreement was settled in January 2025, when Miss B refinanced elsewhere.

Miss B said she'd been led to believe that MotoNovo would agree to refinance the balloon payment at the end of the agreement, but when she contacted MotoNovo in November 2024 to discuss this, she was told that this option was not available. This left her with the choice of returning the car or refinancing elsewhere, so she complained to MotoNovo about this.

At the same time, Miss B complained that there was a discrepancy with the mileage – the figure recorded at the MOT test carried out in October 2020 (so before Miss B had acquired the car) was showing on public records as 299,571 miles. The mileage at the next MOT was 24,819 miles, and as I noted above, the recorded mileage at the point of supply was just under 20,000 miles. Miss B said she'd been turned down by other lenders for the refinancing because of this mileage discrepancy.

MotoNovo responded to Miss B's complaint in January 2025. In relation to the refinancing, MotoNovo said that the option to refinance the balloon payment was offered at its discretion, and did not form part of the agreement. A business decision had been made in December 2022 to revoke this and since then it had been unable to offer refinancing for customers with balloon payments.

With regard to the mileage discrepancy, MotoNovo said that this should have been picked up by the supplying dealership, but that it had identified the garage responsible for the 2020 MOT inspection, and contacted it requesting that the necessary evidence be provided to the Driver & Vehicle Standards Agency (DVSA) to allow the MOT records to be corrected. (Public records show that this has been done and that the mileage at the test in October 2020 was 19,948). MotoNovo paid Miss B £150 in recognition of the inconvenience caused.

Miss B was unhappy with this, so she brought her complaint to this service. Our investigator looked into the complaint but didn't think it should be upheld. Miss B disagreed and asked for the complaint to be reviewed by an ombudsman.

## **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 decided not to uphold Miss B's complaint. I'll explain why.

Miss B sent in her copy of the finance agreement along with details of the MOT history and screenshots from her credit file. She has also set out the reasons for her complaint in some detail. MotoNovo sent in copies of the hire-purchase agreement, its notes of its contact with Miss B, and copies of various emails between it, Miss B and the 2020 MOT garage. I have read and considered all of the evidence provided.

Miss B acquired her car under a regulated consumer credit agreement and therefore this service is able to look into complaints about it.

Firstly, I do appreciate that it must have been very upsetting for Miss B to be told that MotoNovo could not offer an option to refinance the balloon payment. However, I've looked at the finance agreement and it is clear that there were two options at the end of the term – make the balloon payment or return the car. There is no mention of the possibility of refinancing at all.

MotoNovo told us that the option to refinance balloon payments was offered on an ad-hoc basis, but was withdrawn in December 2022 as part of a broader business decision. At that time, a team was set up to manage this and they contacted customers whose agreements were approaching maturity. Miss B's contract had over two years to run, and she wasn't contacted as part of this exercise.

Whilst I can understand Miss B feeling that she should have been notified, as I noted above the option to refinance wasn't part of the contract. I don't have evidence to show how the possibility of refinancing was explained to Miss B when she acquired the car. But as the contract clearly only referred to making the balloon payment or handing back the car, I don't think I can fairly say that MotoNovo was under any obligation to offer a refinancing option, or to notify Miss B about the change in what was an ad-hoc process, or do anything more than it did.

Turning to the mileage discrepancy, MotoNovo told us that the mileage check was completed by the dealership and it trusted the dealership to provide the correct mileage as shown on the odometer at the point of supply. I have no information about why the discrepancy wasn't identified when the car was supplied, but I've no evidence to suggest the mileage notified to MotoNovo was incorrect as per the odometer. The issue was identified as being with the information recorded on the 2020 MOT test result, rather than with the car.

When Miss B notified MotoNovo of the problem, I can see from the emails that it provided that it contacted the MOT garage and made arrangements for the necessary evidence to be submitted to the DVSA so that the records could be corrected. As I noted above, the records are now correct. MotoNovo acted promptly once it was notified of the error, so I don't think it could reasonably have done anything more.

I have also kept in mind that Miss B had the car MOT tested four times after the incorrectly recorded mileage, so it's surprising that the mileage discrepancy wasn't identified earlier, either by Miss B or one of the garages, given that a test certificate should include the mileage at the three previous MOT tests.

Miss B has since referred to the car being misrepresented to her. However, as the issue has clearly been identified as being with the information recorded by the MOT garage, and not with the car, I have no evidence that there was a false statement made to Miss B with regard to the car.

Miss B has also said that applications to other lenders for refinancing the balloon payment were declined because of the mileage discrepancy, and that one lender said that this was the sole reason for its decision. Miss B sent in several screenshots of her credit history showing searches for car finance. However, these simply show credit quotation searches, and there is no indication that these went further or that the lenders concerned would have been aware of the mileage issue, or considered it. I have also kept in mind that Miss B said that she had a poor credit history, so that is likely to have affected her access to credit.

Taking all this into account, I don't have enough evidence to say that MotoNovo's actions or omissions led to Miss B having difficulty in obtaining new car finance. And of course MotoNovo can have no control over the interest rate offered to Miss B by another lender.

MotoNovo did make a payment of £150 in recognition of the inconvenience caused to Miss B, and I think this is fair in the circumstances.

I appreciate that Miss B is very unhappy about the situation. However, I don't have sufficient evidence to conclude that MotoNovo has done anything wrong. Therefore I have decided that I cannot fairly uphold Miss B's complaint.

### **My final decision**

For the reasons given above, I have decided not to uphold Miss B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 15 August 2025.

Jan Ferrari  
**Ombudsman**