



## **The complaint**

Mr M complains that MotoNovo Finance Limited (MotoNovo) provided inaccurate advice and that that advice had an adverse impact on his credit file.

## **What happened**

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

In September 2024 Mr M took receipt of a car. He financed the deal through a hire purchase agreement with MotoNovo.

The car was written off after only two weeks and the balance of the agreement was settled. Mr M was told by MotoNovo that lenders would be aware his agreement had been settled within 72 hours, and the finance agreement wouldn't be removed from his credit file for six to eight weeks.

He applied for a new credit agreement with MotoNovo to fund a replacement vehicle, but they declined the application and Mr M was told to reapply but for the same amount as the settled agreement. When that application also failed and Mr M had problems getting credit approved at a similar rate with other lenders he complained to MotoNovo.

Unhappy with MotoNovo's response Mr M referred his complaint to this service. Our investigator didn't think she'd been provided with sufficient information to suggest the reporting from MotoNovo had been the reason Mr M couldn't obtain credit on preferable rates. She thought the compensation MotoNovo had provided was fair.

As Mr M disagreed his complaint has been referred to me, an ombudsman, to make a decision.

## **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 know it will disappoint Mr M, but I agree with our investigator's opinion and for broadly the same reasons. I'll explain.

The Financial Ombudsman is designed to be a quick and informal alternative to the courts. Given that, my role as an ombudsman is not to address every single point that has been made. Instead, it is to decide what is fair and reasonable given the circumstances of this complaint. And for that reason, I am only going to refer to what I think are the most salient points. But I have read all of the submissions from both sides in full and I keep in mind all of the points that have been made when I set out my decision.

Where the evidence is incomplete, inconclusive, or contradictory (as it is here), I have to make my decision on the balance of probabilities – that is, what I consider is more likely than not to have happened in the light of the available evidence and the wider surrounding circumstances.

I'm required to take into account the relevant, laws and regulations; regulators rules, guidance, and standards; codes of practice and, when appropriate, what I consider to have been good industry practice at the relevant time.

There's no dispute that MotoNovo provided inaccurate information to Mr M about when information on settlement would be sent to the credit reference agencies. They also accepted that their agent hadn't given good advice to Mr M about resubmitting his credit application. That would have been distressing for Mr M who had wasted time making a further credit application, he would also have been concerned about the hard search that was reported in relation to that second unnecessary application. MotoNovo offered Mr M £250 in respect of that complaint, and I think that was fair compensation.

However, while Mr M says the agent made a mistake and advised him that a renewed application would be accepted, I don't think it would be fair to suggest MotoNovo *had* accepted his application as it hadn't been made yet. MotoNovo fairly compensated Mr M for the error, but the application could only be done after they'd completed the necessary affordability checks. While the old agreement and a new unnecessary hard search would have been on Mr M's credit file, I don't think it would be fair to suggest I have enough evidence the mistakes made by MotoNovo led to Mr M having to pay more for credit than he ought. MotoNovo have compensated Mr M adequately for the poor advice they gave, and they needn't take any further action.

### **My final decision**

For the reasons I've given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 11 September 2025.

Phillip McMahon  
**Ombudsman**