

The complaint

Miss W complains that the credit agreement she took out with MotoNovo Finance Limited (“MotoNovo”) was misrepresented to her. It didn’t make her aware that there was a second loan with payments required. And had she known this, she wouldn’t have taken out the agreement with MotoNovo.

Miss W is represented in her complaint. For ease of reading, any reference to “Miss W” refers to the testimony of both Miss W and her representative.

What happened

Miss W entered into a hire purchase agreement with MotoNovo when she acquired a used car in September 2022. The car had a cash price of £13,990, and the agreement was set up to run for 61 months. At the time of supply, Miss W part-exchanged her previous car, and the finance that was agreed led to the credit agreement for the previous car being settled.

Miss W told us:

- In March 2025 she contacted MotoNovo to discuss the early settlement of the agreement and was told she had taken out a ‘*hire purchase plus*’ agreement which comprised a hire purchase agreement and a fixed sum loan agreement. Miss W says she wasn’t aware of this;
- the finance deal was misrepresented to her in the way it was set up – the supplying dealership never explained that there were two payments due under the agreement, and she wasn’t shown any paperwork at the time;
- she wants MotoNovo to settle the fixed sum loan and refund the interest that she paid on it because she would never have taken out the agreement and taken the car if she’d been aware of it;
- she’s now handed the car back but is left paying around £40 each month for the part of the agreement that she was unaware of.

MotoNovo rejected this complaint. It said Miss W had signed the documentation when she acquired the car, and the credit agreement clearly displayed the two elements to the finance. And in signing it, Miss W declared that she had been given the information by the supplying dealership.

MotoNovo explained that this type of credit agreement is used to increase a customer’s deposit if the loan to value on the car being acquired is high. It said the interest rate and the term of the fixed sum loan agreement matched the hire purchase element of the agreement and formed part of Miss W’s overall borrowing. MotoNovo says the only difference is that the fixed sum loan element is not secured on the car, which enables customers to borrow more than the car’s value. It said this can be useful if the car being part-exchanged has negative equity or the customer has no deposit for the new car.

MotoNovo told this Service that the credit agreement was signed electronically by Miss W. The agreement was sent by email with a secure link, and Miss W would’ve had to answer

security questions before accessing the agreement. And it explained that Miss W could then read over the agreement before signing it and submitting it on screen.

Our Investigator looked at this complaint and said she didn't think it should be upheld. She explained that in signing the credit agreement, Miss W was confirming she had read, understood and agreed to the terms of the agreement. And she went on to explain to Miss W the various sections of her credit agreement.

Our Investigator explained '*misrepresentation*' and said that for the agreement to have been misrepresented Miss W would need to have been told something about the agreement that wasn't true, *and* she would have had to rely upon this untruth in making her decision to acquire the car. But she'd simply seen no evidence of any false statement made by the supplying dealership and therefore couldn't conclude that the agreement had been misrepresented.

She said she didn't think the credit agreement had been *mis-sold* either – all the documentation set out clearly the two types of credit being taken.

Miss W disagrees so the complaint comes to me to decide. She says the supplying dealership was told that she was only selling her previous car to take the equity from it and she would never have agreed to take out a separate loan.

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.

As the hire purchase agreement entered into by Miss W is a regulated consumer credit agreement this Service is able to consider complaints relating to it.

Having taken everything into consideration, I've reached the same conclusions as our Investigator, and I'm not going to uphold this complaint. I'll explain why.

The parties do not agree on what was said three years ago when the car was acquired. And I'm also mindful that memories do fade over time - so although I can understand Miss W's surprise at what she was told in March 2025 when she enquired about ending the agreement early, her surprise itself doesn't mean that she wasn't properly told about the credit agreement in September 2022.

Because the parties do not agree, I've relied on the best evidence I do have about what happened three years ago; the credit agreement and associated documentation. And I've looked at this very carefully.

The pre-credit information sets out the two elements clearly and side by side. There's a section headed '*Hire Purchase*' and another section headed '*Additional Personal Loan*'. Both of these sections contain details of the amount of credit advanced; the relevant admin fees; the interest to be charged; and the total amount that will need to be repaid. The '*Hire Purchase*' section also contains the part-exchange value and the amount needed to settle the previous agreement.

The next page headed "*pre-contractual explanation*" also makes reference to the "*HP Agreement and Personal Loan*", and there's a separate section headed "*Your Personal Loan Agreement and important features of it*". I've noted that Miss W electronically signed this on 24 September 2022 at 15:05 to say she'd been given this information verbally or had read it, before she next signed the hire purchase agreement.

Moreover, there are other sections with headings such as *'Warranty Insurance Premium Personal Loan'* and *'Accessories Personal Loan'*, and these have not been completed, so it seems to me that a degree of care was taken when the credit agreement was filled out in September 2022.

Next, I've looked at the Hire Purchase agreement. It is set out in a similar manner to the pre-credit information, with separate headings for the two elements under which credit is being advanced. And there's a box that says, *"This is a Hire-Purchase and Personal Loan Agreement regulated by the Consumer Credit Act 1974"*. Underneath this it says, *"sign it only if you want to be legally bound by its terms"*. And I can see that Miss W signed the documentation. In signing the agreement, Miss W was confirming that she'd read and understood the agreement and was content to be bound by it. So, I'm satisfied that Miss W was aware, or ought reasonably to have been aware of the payments due under this agreement.

I've seen no evidence that anything untruthful or untoward was said to Miss W that induced her into signing this credit agreement, so I'm unable to safely conclude that it was misrepresented to her.

I accept that it can be complicated acquiring a car on finance, understanding the large amount of paperwork relating to the car; the sale of it; and the financing of it, that's why it's important to take the time to understand the documentation before signing it. But on this occasion, Miss W did sign the agreement and I'm satisfied that she was aware, or ought reasonably to have been aware that she was entering into an agreement with MotoNovo that comprised two elements; hire purchase and a separate personal loan.

I know Miss W will be disappointed by my decision, but I hope she understands why I've reached the conclusions that I have.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss W to accept or reject my decision before 20 October 2025.

Andrew Macnamara
Ombudsman