

The complaint

Mr P complains that MotoNovo Finance Limited, trading as MotoNovo Finance, lent to him irresponsibly.

What happened

In 2019, Mr P entered a finance agreement with MotoNovo Finance; it was to help fund the purchase of a car. The agreement was for a cash price of £4,348, set over a term of 60 months, with 59 regular monthly payments of around £94, and then one final payment of around £303.

Several years later, in 2025, Mr P complained to MotoNovo Finance. He said, in summary, that the credit had been provided irresponsibly and that it was always unaffordable for him. MotoNovo Finance didn't uphold Mr P's complaint, citing that it was confident reasonable and proportionate checks had been carried out before agreeing to lend.

Mr P referred his complaint to this Service, and an Investigator here looked at what had happened. Having done so, they didn't think MotoNovo Finance had lent to Mr P irresponsibly. They said that reasonable and proportionate checks had indeed been undertaken before lending and, moreover, the results of those checks hadn't highlighted any cause for concern. So, in conclusion, MotoNovo Finance hadn't acted irresponsibly and didn't need to take any further action.

Mr P disagreed, and he asked for an Ombudsman's decision. He reiterated his view that adequate checks hadn't been carried out; he made particular reference to his high level of secured lending at the time, and his general credit history.

As no agreement has been reached, Mr P's complaint has now 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.

We've set out our general approach to complaints about unaffordable or irresponsible lending on our website, and I've taken this into account when deciding Mr P's complaint before me here.

To summarise, MotoNovo Finance needed to make sure that it didn't lend irresponsibly. In practice, what this means is that it needed to carry out proportionate checks to be able to understand whether Mr P could make his payments in a sustainable manner before agreeing to lend. If the checks MotoNovo Finance carried out weren't sufficient, then I'll need to consider what reasonable and proportionate checks are likely to have shown.

Here, for Mr P, MotoNovo Finance agreed to his application after it reviewed his declared income and carried out a check into Credit Reference Agency (“CRA”) data. Information returned via CRA was to build a view of Mr P’s existing credit commitments, and how he was managing them.

I’ve looked at the results of what MotoNovo Finance uncovered, and I don’t think it was presented with any real cause for concern. CRA data suggested Mr P’s existing commitments were up to date and being managed well; his declared income proposed that he’d have enough disposable income to meet the repayments, as well as his essential expenses and other credit commitments. No County Court Judgments or Individual Voluntary Arrangements were recorded against him either.

Broadly then, the checks painted a relatively stable picture of Mr P’s finances. Keeping all of that in mind against the very modest repayments, I don’t think MotoNovo Finance needed to go any further; so, I find the checks it carried out here to be proportionate in the circumstances. I know Mr P thinks some information contained within his credit file – and his level of secured debt – ought to have prompted MotoNovo Finance to go further, but I don’t see things in the same way.

To explain, it seems that Mr P may well have had some adverse indicators recorded against him – like some missed payments for other commitments – which are visible in the credit report he’s provided us more recently. I can’t see, though, that other data he’s referenced translated into MotoNovo Finance’s checks at the time, and that isn’t a failing on MotoNovo Finance’s part; after all, it can only rely on the information returned to it. In any event, even if those missed payments were visible to MotoNovo Finance, I don’t think its lending decision would’ve been any different. Mr P did generally bring his commitments back up to speed quickly – and some adverse information would’ve been reasonably deemed historic by the time of his application to MotoNovo Finance.

In terms of his secured lending commitments, I don’t think that would’ve made a difference to MotoNovo Finance either. Mr P told MotoNovo Finance that his occupation was a property developer. So, it’s entirely unsurprising, I think, to see a higher than usual level of secured lending. Crucially, nothing in the information MotoNovo Finance uncovered suggested he was having any trouble in managing it.

In the round then, with all of that in mind, there’s not enough to suggest that Mr P was demonstrating consistent or significant signs of financial difficulty, or unaffordability, at the time. I don’t think MotoNovo Finance would – or should – have had cause for concern and reached a different lending decision. It follows that I don’t think it irresponsibly lent to Mr P here. Rather, the information available to MotoNovo Finance, alongside the modest repayments, suggested that the agreement was affordable for Mr P.

In closing, having carefully considered everything that’s been said and provided by both parties, I’m satisfied that MotoNovo Finance didn’t act unfairly towards Mr P when it agreed to lend to him; so, I’m not upholding this complaint. I haven’t seen anything to suggest that Section 140A or anything else would, given the facts of this complaint, lead to a different outcome here.

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 Mr P to accept or reject my decision before 30 December 2025.

Simon Louth
Ombudsman