

The complaint

Mr L complains that MotoNovo Finance Limited (MotoNovo) didn't provide adequate information about how he should return a bike when his finance agreement ended.

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.

Mr L took receipt of a bike in July 2021. He financed the deal through a hire purchase agreement with MotoNovo.

MotoNovo wrote to Mr L to explain the options he had when the agreement ended, and Mr L told them he wanted to return the bike. On 27 August 2024 MotoNovo explained that there would be a £180 charge to collect the vehicle but that he could return it to them free of charge if he wished. It was only after the agreement ended that Mr L was told that the drop off location was an hour and a half away from where he lived. By that time, the bike was no longer taxed or insured, and Mr L couldn't return it. He complained to MotoNovo but they didn't uphold his complaint. They explained that the terms of the contract allowed them to recover any costs they incurred in recovering the vehicle and that the auction house they'd asked him to drop the bike off at was the closest one to him that accepted their vehicles.

Mr L referred his complaint to this service, but our investigator didn't think MotoNovo had been unreasonable. As Mr L 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 L, but I agree with our investigator's view of this complaint and for broadly the same reasons. I'll explain why.

Where the information I've got is incomplete, unclear, or contradictory, as some of it is here, I have to base my decision on the balance of probabilities.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point, it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

Mr L acquired his bike under a hire purchase agreement. This is a regulated consumer credit agreement and as a result our service is able to look into complaints about it.

The terms of Mr L's agreement with MotoNovo allowed them to recover any costs they incurred recovering the vehicle (term 12.2). Before the agreement ended MotoNovo told Mr

L that the cost of collection/recovery would be £180. I'd expect the finance agreement to be clear, fair and not misleading but it wouldn't be practical for the business to set out every possible cost that might arise years later. Fuel, labour and transport rates do change over time. I'm persuaded that it was a reasonable approach to tell Mr L of the collection costs before the agreement ended particularly as there was an option for him to return the bike himself.

I've considered whether it was unfair for MotoNovo not to disclose the drop off location before the agreement ended. I don't think they gave Mr L sufficient information to make an informed choice about whether to incur a collection fee or to drop the bike off himself. It seems to me that he could only do that once he knew the drop off location. But I can't see that Mr L's bike was MOT'd at the time. The government website shows that the MOT expired in August 2023 and while I understand that Mr L asserts that the bike was MOT'd, in the absence of any proof of that, it seems to me that he wouldn't have been able to legally ride the bike to the drop off location no matter where it was. So, while I think there may have been grounds to say MotoNovo could have been more transparent, I don't think any lack of transparency has disadvantaged Mr L, and I'm not persuaded that MotoNovo have been unreasonable here. I'm not asking them to take any 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 L to accept or reject my decision before 26 September 2025.

Phillip McMahon
Ombudsman