

The complaint

Mr B complains about the way MotoNovo Finance Limited (MotoNovo) dealt with the rejection of his vehicle under a hire purchase agreement.

What happened

In February 2025 Mr B acquired a used car through a hire purchase agreement financed by MotoNovo.

The car broke down on the motorway soon after Mr B acquired it, and he told the supplying dealership he wanted to reject the car. Mr B complained to MotoNovo about the quality of the car in February 2025.

MotoNovo sent Mr B their final response to his complaint in April 2025. They said they accepted the rejection of the car, and would arrange for its collection, refund Mr B's payments, refund an inspection of the car that Mr B paid for, pay Mr B £200 compensation for the distress and inconvenience caused, and remove the agreement from Mr B's credit file.

In June 2025 Mr B asked this service to investigate his complaint. He said MotoNovo hadn't done what they said they'd do in their final response. He asked for the payments he'd made towards the agreement to be refunded, removal of the agreement from his credit file, further compensation for distress and inconvenience, compensation because he'd been unable to obtain favourable terms for a new credit because this agreement remained on his credit file, and a letter of apology.

MotoNovo offered Mr B a further £100 compensation for the distress and inconvenience caused by the delay in actioning what they said they'd do in their final response.

Mr B remained unhappy with this and asked our service to investigate.

Our investigator gave their view that overall, they thought the compensation was fair, and they didn't ask MotoNovo to do anything more.

Mr B didn't agree. He said he'd been impacted by the effect on his credit score and had suffered significant distress due to his circumstances

As an agreement can't be decided, the case has been passed to me for 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.

Firstly, I'm aware that I've summarised this complaint in far less detail than the parties and I've done so using my own words. I'm not going to respond to every single point made by all the parties involved. No discourtesy is intended by this. Instead, I've focussed on what

I think are the main issues.

Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts. If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual argument to be able to provide my outcome.

In considering what's fair and reasonable, I need to have regard to the relevant law and regulations. The agreement in this case is a regulated hire purchase agreement – so we can consider a complaint relating to it. MotoNovo as the supplier of the goods under this type of agreement is responsible for a complaint about their quality.

MotoNovo accepted that the car supplied to Mr B was of unsatisfactory quality, and they agreed that Mr B was entitled to reject the car as a result. So, I'm satisfied that the car was of unsatisfactory quality, and I haven't considered this point any further.

I'm pleased to see that MotoNovo said they'd end the agreement, collect the car, refund Mr B's payments, refund his inspection costs, pay Mr B £200 compensation and remove the agreement from Mr B's credit file. These are the actions I'd likely have directed MotoNovo to take if they hadn't already.

What remains in dispute is whether MotoNovo treated Mr B fairly in respect of the length of time it took them to do this. MotoNovo have offered Mr B a further £100 compensation for the delay in removing the agreement from his credit file and refunding his payments.

Mr B has explained to this service the affect the delay has had on him due to his health and family circumstances, and I thank him for the information he's provided in this regard.

I've seen evidence that Mr B returned the vehicle on 15 April 2025, and MotoNovo confirmed to Mr B that they'd submitted the relevant forms to the correct departments to initiate unwinding the agreement on 17 June 2025, a period of two months.

There was a collection report completed to assess the cosmetic condition of the vehicle upon its return, and I'm satisfied that it was fair and reasonable for this to be done. It's not unusual for such an inspection to take place, and I don't think it's unreasonable for MotoNovo to satisfy themselves of the condition of the returned vehicle, outside of the faults recognised as making the vehicle of unsatisfactory quality. And so, I'm satisfied that MotoNovo would've required time for this inspection to be arranged and report to be completed.

That said, I think MotoNovo could've processed the unwinding of Mr B's agreement sooner, and that there was a delay in taking this action. MotoNovo have offered £100 compensation for this delay.

I've thought carefully about the distress and inconvenience caused to Mr B by this delay. I appreciate his specific health and family circumstances, and the situation has taken a reasonable level effort for Mr B to sort out. But, all things considered, I'm satisfied that £100 fairly reflects the distress and inconvenience caused to Mr B and is aligned with what I'd have asked MotoNovo to do if they hadn't made this offer.

Mr B has explained that the delay in removing the agreement from his credit file has impacted his ability to get favourable terms for new credit.

Whilst I've seen evidence of the change in Mr B's credit score, it's not clear that the removal of the agreement was the only thing to result in this change. I also can't say with any

certainty that the removal of the agreement would've led to more favourable terms for Mr B on any other credit product. There are several things that can affect offers lenders make, including prevailing market conditions. Lenders also have their own risk and screening processes that don't necessarily rely on a score produced by credit reference agencies. So, I'm not persuaded that this agreement alone affected Mr B's ability to get credit, or the terms on which he was offered any credit.

My final decision

For the reasons outlined above, 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 B to accept or reject my decision before 13 January 2026.

Zoe Merriman
Ombudsman