

The complaint

Mr A complains that FirstRand Bank Limited trading as Motonovo Finance irresponsibly provided him with an unaffordable regulated hire purchase agreement.

Mr A's complaint has been brought by a professional representative, however for ease I've referred to all submissions as though they are his own.

What happened

Motonovo provided Mr A with a hire purchase agreement in February 2018 to finance a car with a cash price of around £10,050. Mr A paid a deposit of around £250 and received finance of around £10,600, which included an amount of around £800 to finance a warranty. The agreement was repayable across 48 monthly instalments of around £315. The total amount payable, including the deposit, interest and fees was around £15,300.

In November 2024 Mr A complained to Motonovo about unaffordable lending. He said had it completed proportionate checks it would have identified this lending was unaffordable for him; and that it acted unfairly by provided him with this hire purchase agreement.

Mr A referred his complaint to our service in March 2025. One of our investigators reviewed the complaint and upheld it, concluding Motonovo should have identified this agreement wasn't sustainably affordable for Mr A, and that it had made an unfair lending decision.

Mr A didn't respond to our investigator view; Motonovo disagreed and asked for an ombudsman's review, so the complaint was passed to me to decide.

I recently issued a provisional decision where I set out, with reasons, my initial thoughts on this case and what I was intending to decide.

The below is an extract from my provisional decision:

"The information in this case is well known to Mr A and Motonovo, so I don't intend to repeat it in detail here. While my decision may not cover all the points or touch on all the information that's been provided, I'd like to assure both parties I've carefully reviewed everything available to me; but I've focused my findings on what I consider to be the key points. I don't mean to be discourteous to Mr A or Motonovo by taking this approach, but this simply reflects the informal nature of our service."

We've set out our approach to complaints about irresponsible and unaffordable lending as well as the key rules, regulations and what we consider to be good industry practice on our website. I've followed this approach when considering Mr A's complaint.

The lending decision

Motonovo says before approving Mr A for this agreement it obtained his declared income and completed a credit check to understand his existing credit commitments and recent and

historic management of credit. Motonovo says it completed proportionate checks and went on to make a fair lending decision when arranging this agreement.

I've carefully considered both parties arguments. Having done so, I'm not persuaded Motonovo's checks were proportionate; however, for reasons I'll go on to explain, I currently consider it did reach a fair lending decision when providing Mr A with this agreement.

Motonovo was providing Mr A with lending with sizeable terms; in relation to the total repayable value, term and monthly commitment. The credit check Motonovo completed showed Mr A was managing his credit well – both in the recent and historic past. However, it reported Mr A had outstanding debt totalling around £36,500 – which was in excess of his declared yearly income – with repayments to credit already commanding a sizeable proportion of his monthly income.

As such I consider proportionate checks in this instance ought to have led to Motonovo verifying Mr A's actual income and expenditure, in order for it to obtain a thorough understanding of his financial position, and satisfy itself that this agreement would be sustainably affordable for him.

The rules Motonovo needed to follow aren't prescriptive in terms of what information it should consider; so, it could have obtained this information in a number of ways. Our service's general approach is to ask a customer to provide us with their main bank account statements showing their income and expenditure, covering a period of three months leading up to a lending event. We generally find this allows us to recreate a picture of what a lender would more likely than not have identified through proportionate checks at the time.

Reviewing the bank account statements, I've seen Mr A's income evidenced across the months leading up to this agreement averaged around £1,800. I've also seen that Mr A's income did fluctuate, both before and after the lending event, however, there were months where he received in excess of £2,200.

I've also seen multiple cash deposits paid into Mr A's account in each of the months I've reviewed. As an average these totalled around £950 each month. Our investigator discounted these credits, however, had Motonovo completed more detailed checks I consider it would have identified these, and would more likely than not have asked Mr A about them. Given that Mr A was looking to obtain finance for this car, I consider it's more likely, on balance, that he would have presented his financial circumstances in a positive light, in order to make acceptance of the finance more likely. As such, I consider it would have been reasonable for Motonovo to have taken into account an average of these credits into its affordability calculations, given how regularly they appear on a monthly basis.

I consider my position on this is supported given the majority of these credits appear to remain in Mr A's account rather than being earmarked for other means. Generally the majority of these payments bolstered his credit balance, which remained largely in the high hundreds and at times in the thousands, across the statements I've reviewed.

Mr A has evidenced non-discretionary commitments; I've seen regular direct debits and standing order to usual household and living costs that I'd expect to see. This includes rent, insurances, associated vehicle costs and a mobile contract, as well as payments towards existing credit commitments. All of these are paid without issue throughout the months.

While I acknowledge Mr A's monthly commitment to credit is high as a percentage of his income, in the individual circumstances here the evidence doesn't suggest it's to an extent that's unaffordable or unsustainable for Mr A. And given the regular cash deposits into Mr A's account, his ability to maintain a high level of credit commitments is supported.

While after the event I'm considering here, I'm persuaded my thoughts are further supported by Mr A's repayment of the agreement in line with its terms. A perfect repayment record isn't in itself evidence that an agreement is sustainably affordable; however, where a consumer looks to prioritise payments to an agreement, we'd expect to see financial difficulties with other credit commitments or non-discretionary expenditure. In the individual details here, this doesn't appear to be the case.

But in any event, as I've found above, had Motonovo completed proportionate checks I consider it's more likely than not that it would reasonably have concluded this agreement was sustainably affordable for Mr A. So, it therefore follows I currently consider it reached a fair lending decision when providing Mr A with this hire purchase agreement.

Did Motonovo acted unfairly or unreasonably in any other way?

I've considered whether Motonovo has acted unfairly or unreasonably in any other way, including whether the relationship may have been unfair under s.140A of the Consumer Credit Act 1974.

As I've set out above, Mr A had a perfect repayment record, with the agreement being paid in line with the terms. The contact notes show no evidence of Mr A reaching out to Motonovo about any affordability issues, or any other issues for that matter, until this complaint was raised.

So, I've not seen anything to suggest Motonovo acted unfairly or unreasonably in providing this lending, or in any other way in relation to this agreement. It therefore follows I haven't currently seen anything to suggest that Section 140A would, given the facts of this complaint, lead to a different outcome here."

MotoNovo responded and accepted the provisional decision. Mr A didn't respond to the provisional decision; or follow up communication from one of our investigators within the timeframe that was set out.

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 neither party has provided any new information or evidence for me to consider in response to my provisional decision, it follows that I see no reason to depart from the findings set out within in.

So, in summary:

- I don't consider MotoNovo's checks were proportionate to the terms of lending it was providing, and what it had identified about Mr A's financial circumstances through the checks it had completed.
- I consider, on review of evidence setting out what detailed checks would more likely than not have shown MotoNovo at the time, that Mr A could sustainably afford this agreement.
- I'm persuaded Motonovo therefore made a fair lending decision when providing Mr A with this agreement; and I haven't seen anything to suggest that Section 140A would, given the facts of this complaint, lead to a different outcome here.

I acknowledge my decision will likely be disappointing to Mr C. But for the reasons above,

I'm not directing Motonovo to do anything to resolve this complaint.

My final decision

My final decision is that I don't uphold Mr A's complaint about FirstRand Bank Limited trading as Motonovo Finance.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 16 January 2026.

Richard Turner
Ombudsman