

The complaint

X is unhappy about the way MotoNovo Finance Limited (MotoNovo) handled his complaint.

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.

X entered into a hire purchase agreement with MotoNovo on 1 September 2025 to finance a used car.

On the 20th of September 2025 X complained about the quality of the vehicle. He said it produced a loud humming noise when braking and a whining noise when driving above around 70 to 75 mph.

MotoNovo told X that he would need to evidence the fault. They said they would contribute £80 towards the cost of diagnostics. The supplying dealer later agreed to inspect and repair the vehicle, and the car was booked in for repair in November 2025 with a courtesy car provided. The car was successfully repaired.

However, X remained unhappy with how MotoNovo handled his complaint. He said there was poor communication, that he was not contacted by phone as requested, that a case handler was not assigned early on, and that he had to make several long journeys in connection with the repair.

MotoNovo issued their final response within eight weeks of the complaint. They upheld the complaint in part, arranged the repair at no cost to X, and offered £200 in respect of the distress and inconvenience caused. X did not think that was sufficient.

When X referred his complaint to this service, our investigator thought MotoNovo had been fair and he wasn't of the opinion they needed to take any further action. X disagreed and he asked for a final decision by an ombudsman.

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 agree with the investigator's view of this complaint, for broadly the same reasons.

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.

I have taken into account the relevant law including the Consumer Rights Act (2015) as well as the relevant regulatory standards and what I consider to have been good industry practice at the time.

MotoNovo, as the provider of a regulated hire purchase agreement are responsible for the quality of the goods supplied. The evidence shows a fault was present shortly after supply which meant the vehicle was not of satisfactory quality at that time. However, the supplying dealer was given the opportunity to repair the vehicle and did so at no cost to X. As the repair resolved the issue, I am satisfied the vehicle was put back into a satisfactory condition.

MotoNovo told X that he would need to provide evidence of the fault, and that they would only contribute £80 towards diagnostic costs. I don't consider that approach was particularly helpful given the complaint was raised shortly after supply and X had described clear symptoms of a fault. In the circumstances, I would have expected MotoNovo to take a more proactive role in arranging inspection or diagnosis. However, the supplying dealer did go on to accept the issue and carry out repairs at no cost to X and I've not seen evidence that he incurred unreimbursed diagnostic costs. So, while I think MotoNovo's approach could have been better, it didn't result in a financial loss, or prevent the issue from being resolved. I'm persuaded this is reflected in the compensation already offered.

I've thought about X's concerns about a potential breach of Consumer Duty. This requires firms to act to deliver good outcomes for customers including providing appropriate support and clear communications. I accept that MotoNovo's service fell short of what X could reasonably expect, when they didn't allocate a case handler earlier and didn't contact him by his preferred method. However, I can see MotoNovo did engage with X during the complaint, provided updates by e-mail, issued a holding response and resolved the matter within the eight-week regulatory timeframe. In the circumstances, I don't think there has been a breach of Consumer Duty that would warrant additional compensation beyond what has already been offered.

Taking everything into account I am satisfied that MotoNovo did not mishandle the complaint to an extent that would justify an award greater than £200. I think that payment fairly reflected the distress and inconvenience caused.

I'm not, therefore, asking MotoNovo to take any further 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 X to accept or reject my decision before 30 April 2026.

Phillip McMahon
Ombudsman