

complaint

Mr O complains about the way that FirstRand Bank Limited, trading as MotoNovo Finance, has dealt with his account.

background

A used car was supplied to Mr O under a hire purchase agreement with MotoNovo Finance that he signed in December 2014. He complained to this service about some issues with the car and in October 2016 the adjudicator concluded that there was no evidence of the issues that Mr O had raised or to show that the car wasn't of satisfactory quality when it was supplied to him. She also said that the information that MotoNovo Finance had recorded on his credit file accurately reflected the status of his account.

Mr O then complained in January 2019 that: MotoNovo Finance's communication had been incredibly poor; its final response letter didn't address his full complaint and was inadequate; and it had passed his details to at least two other companies without notifying him. He says that it should write-off the outstanding balance of his account.

The adjudicator didn't recommend that this complaint should be upheld. He said that notices of default were communicated to Mr O, he missed multiple payments so charges were applied to the account and MotoNovo Finance was within its rights to chase him for the full outstanding balance, including any fees and charges.

Mr O has asked for his complaint to be considered by an ombudsman. He says that he sent an e-mail to a director of MotoNovo Finance but it was ignored and he sent an e-mail to its debt collection agent making a settlement offer but that was also ignored.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Mr O entered into the hire purchase agreement with MotoNovo Finance in December 2014 and agreed to make an initial payment of £510.99, 58 payments of £360.99 and a final payment of £510.99 for a used car to be supplied to him. He complained about some issues with the car but that complaint wasn't upheld. He didn't make the required payments under the agreement so he was sent default notices and the car was repossessed in August 2016 and the agreement was ended.

I'm not persuaded that there's enough evidence to show that MotoNovo Finance acted incorrectly in repossessing the car and ending the agreement in these circumstances. It had applied fees and charges to the account and I'm not persuaded that those fees and charges are unfair or unreasonable in the circumstances.

MotoNovo Finance has provided a statement for Mr O's account which shows that the proceeds of sale of the car of £9,240 were applied to the account in August 2016 leaving an outstanding balance on the account of £8,450.27. It has closed his account and transferred that amount for collection and has appointed two debt collection agencies to seek payment of that amount from Mr O. I don't consider that it's acted incorrectly in passing his details to those debt collection agencies.

The hire purchase agreement said:

“If you miss any payment, the vehicle may be repossessed and sold at auction, after which you may still have a financial liability to MotoNovo Finance. A debt collection agency could contact you and/or we may take legal action against you in respect of any monies that you owe to us under the Vehicle Hire Purchase Agreement and in respect of the Personal Loan(s). A record of your default will be passed to Credit Reference Bureaux and this could make it more difficult to obtain credit in the future”.

MotoNovo Finance’s account notes show that Mr O was in contact with a debt collection agent from June 2017 and that he said in November 2017 that he wouldn’t comply with the agent until MotoNovo Finance replied to his personal e-mail and provided a detailed explanation of how his outstanding balance came to be. He was provided with a statement of account but he didn’t consider that to be adequate and I’ve seen no evidence to show that it responded to his personal; e-mail.

Mr O made a settlement offer to the debt collection agent in March 2018 and that offer was passed to MotoNovo Finance. The offer was below its settlement limit and Mr O had refused to provide it with information about his income and expenditure to show what was affordable for him. I’ve seen no evidence to show that MotoNovo Finance responded to that settlement offer – but nor have I seen any information to show that Mr O provided it with the income and expenditure information that was required or contacted it about his settlement offer.

MotoNovo Finance should have responded to Mr O’s e-mail and to his settlement offer. I can understand the frustration that Mr O feels about its failure to do so – but I’m not persuaded that an award of compensation for that would be appropriate in these circumstances. I consider that the statement of account together with the information about charges contained in the agreement provided Mr O with enough information about his account – so I’m not persuaded that MotoNovo Finance was required to provide him with more detailed information about his outstanding balance.

I’m not persuaded that it would be fair or reasonable in these circumstances for me to require MotoNovo Finance to write off the outstanding balance of Mr O’s account, to pay him any compensation or to take any other action in response to his complaint. I suggest that Mr O contacts it, or its debt collection agent, to provide information about his income and expenditure so that an affordable repayment arrangement for the amount that he owes can be agreed. If he doesn’t do so, I consider it to be likely that further action will be taken to recover the debt.

If Mr O is experiencing financial difficulties he should contact MotoNovo Finance to explain his circumstances. It’s required to respond to any financial difficulties that he’s experiencing positively and sympathetically.

my final decision

For these reasons, my decision is that I don’t uphold Mr O’s complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr O to accept or reject my decision before 13 June 2020.

Jarrold Hastings
ombudsman

