

## **complaint**

Mr A acquired a van in September 2015, by hire purchase with FirstRand Bank Limited (trading as MotoNovo Finance). He complains that the van did not turn out to be as it was described to him at the point of sale.

## **background**

Mr A said:

- He understood at the point of sale that he was acquiring a brand new van, and he was not told that this vehicle had been pre-registered
- He did not receive the V5 registration document until October 2016, and it was only then that he became aware that his van had been pre-registered
- The V5 document wrongly recorded that –
  - a business he did not recognise was the van's first keeper, and had acquired the vehicle in September 2015
  - he was the van's second keeper, and had acquired the vehicle in September 2016
- He then complained to MotoNovo – it sent him an Order Confirmation document, apparently signed by him, which stated that his vehicle was pre-registered
- He had never seen this document, and the signature on it was not his – but he did have a Vehicle Sales Invoice, in which his van was described as 'new'

MotoNovo did not uphold Mr A's complaint, but it did offer him (as a goodwill gesture) £250 for the distress and inconvenience he had experienced. It also told him that the business he did not recognise on the V5 document was the supplier of vehicles to the dealership from which he acquired his van.

Mr A did not accept MotoNovo's settlement offer, and he referred his complaint to us. He told us:

- The price at which he acquired his van was in line with that available in September 2015 from other dealers, for the same model of brand new vehicle – but its resale value had been considerably reduced because he was its second (and not its first) keeper
- To resolve his complaint, he wanted either considerably greater compensation than offered by MotoNovo, or for the V5 document to be corrected to show he was the first keeper

MotoNovo told us:

- It did not agree that the price at which Mr A acquired his van was in line with that of other suppliers – by acquiring a pre-registered vehicle, he secured a discount of over £8,000 (over 30%) on the manufacturer's price (it provided to us documentary evidence in support of this statement)
- The van's resale value would not be affected by pre-registration, because such values were calculated based on vehicle age, mileage, condition and model specification (and not on the number of keepers)

Our investigator did not think the complaint should be upheld:

- She noted that Mr A would be able to walk away from his hire purchase agreement if the van had been mis-represented to him, and if this mis-representation was what caused him to acquire it
- She acknowledged as well Mr A's concerns about the Vehicle Sales Invoice, Order Confirmation and V5 documents
- She said that she could not be clear about whether or not the dealership had explained pre-registration to Mr A, at or before the point of sale
- But, even if the dealer had given Mr A a full explanation, she felt he would have still gone ahead with the transaction – because of the significant price discount he had been offered
- She also did not believe it was likely that this transaction had made Mr A financially worse off, compared with acquiring a van that had not been pre-registered

Mr A disagreed with our investigator, and asked for his complaint to be reviewed by an ombudsman.

### **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Where evidence is incomplete, inconsistent or contradictory (as some of it is here), I reach my decision on the balance of probabilities – in other words, what I consider most likely to have happened in light of the available evidence and wider circumstances.

MotoNovo has a responsibility to ensure that goods corresponding to their description have been supplied.

Mr A is arguing that the goods in question were mis-represented to him – he thought he was acquiring a brand new vehicle, of which he would be the first keeper. If he had known the van was pre-registered, he might not have gone ahead with the transaction – because he says a van's resale value is much lower with two keepers (compared with one keeper).

Mr A does not accept MotoNovo's argument that he received a substantial discount by acquiring a pre-registered van. But I have seen no evidence supporting Mr A's view, while MotoNovo did provide supporting information for its argument.

Mr A also does not accept MotoNovo's argument that a van's resale value is unaffected by the number of keepers. He provided a recent online resale valuation for his van of just under £9,000.

MotoNovo provided resale valuation figures of between a little over £9,500 and just over £13,000. And our investigator obtained figures of between just under £10,000 (trade in) and just over £12,000 (retailed). But it is unclear the extent to which these figures are affected by the number of keepers.

However, taking into consideration all these figures – and on balance – I think it is reasonable to conclude that:

- Mr A did receive a substantial discount when he acquired his van
- This discount was significantly greater than any loss of value caused by the van's number of keepers
- Mr A would have gone ahead with the transaction, whether or not he knew that the van had been pre-registered

I have also taken into consideration Mr A's concerns about three documents.

The Order Confirmation document is not signed by Mr A, and so it is unable to clarify whether or not Mr A should have been aware that his van was pre-registered. But this does not affect my conclusions above.

The Vehicle Sales Invoice describes Mr A's van as 'new'. This was accurate in that the van had zero mileage, and had not been used before the point of sale. Registration was not mentioned, although it would not have been unreasonable for Mr A to assume (in the absence of information to the contrary) that he would be its first keeper. But, again, this does not affect my conclusions above.

The V5 document shows who is responsible for registering and taxing a vehicle, but it does not show vehicle ownership. MotoNovo continues to own Mr A's van, until he completes making his hire purchase payments. MotoNovo told us that Mr A's van had been registered by the supplier, and had been taxed in September 2015 by the dealer.

Mr A was clearly unhappy when he received and read the V5 document. He thinks that he should have received the document sooner.

Mr A told us that, when he had obtained insurance for his van (before he received the V5 document), he had given his name as the registered keeper. But, in the event, this does not appear to have caused any problems.

Mr A also says that the V5 document contains inaccuracies, relating to the date on which the first keeper and the date on which he acquired the car. But these inaccurate dates, in themselves, do not appear to have caused problems for Mr A. In my view, Mr A's key concern is the fact that he is shown in this document as second keeper.

After careful consideration, and on balance, I do not think that matters relating to the V5 document alter my conclusions above.

And so I share our investigator's view that this complaint should not be upheld.

Mr A has experienced distress and inconvenience, and I think it was appropriate for MotoNovo to offer him compensation of £250, which is consistent with awards we would make in similar circumstances. I understand this settlement offer is still open, and I invite Mr A to reconsider it.

**my final decision**

For the reasons explained above, my final decision is that I do not uphold this complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 2 May 2017.

Roy Mawford  
**ombudsman**