

The complaint

Miss F is unhappy that Moneybarn Limited gave her incorrect information about direct debit payments under her conditional sale agreement with them.

What happened

On 4 September 2019, Miss F was supplied with a car through a conditional sale agreement with Moneybarn. The agreement was for £7,250 over 60 months, with monthly repayments of £237.68.

The original payment date under the agreement was the 4th of every month. Miss F contacted Moneybarn on 11 November 2019 about changing the payment date to the 28th of each month. But Moneybarn didn't explain their rules about changing direct debits – they can only change a direct debit up to 21 day in the future, or 10 days in the past. So, in order to make the change Miss F asked for, the payment that would've been due on 4 November 2019 would be collected on 25 November 2019, and the payment that would've been due on 4 December 2019 would be collected on 28 November 2019.

Because of this, Miss F didn't have enough money in her account to cover both payments. And a payment was missed. Moneybarn agreed Miss F could set up a payment plan to cover the missed payment.

Miss F complained to Moneybarn about what'd happened. Moneybarn acknowledged they'd made a mistake in not explaining what would happen, and when payments would be collected. As Miss F had already paid £118.68 towards the missing payment under the payment plan, Moneybarn agreed to waive the outstanding payment. They also corrected Miss F's credit file so that it didn't show any adverse information.

Moneybarn then took the next payment plan instalment in error. They refunded this to Miss F and sent her a £20 gift card by way of an apology. Miss F wasn't happy with how Moneybarn dealt with things, and she brought her complaint to us for investigation.

Our investigator said Moneybarn had made an error in not telling Miss F what'd happen, and they'd acknowledged this. While he understood how frustrating this must've been for Miss F, he also said that, had this error not happened, the December 2019 payment would always have been due. So he didn't think Moneybarn had done anything wrong by agreeing a payment plan. And, because they'd waived the outstanding amount under this plan, he didn't think they needed to do anything more.

Miss F didn't agree with the investigator. She said the £33 refund and the £20 gift card "*were a nice gesture however it did not cover the initial payment that I made of £118.*" Miss F thinks that Moneybarn should refund the £118, and she's asked for an ombudsman to make a final 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.

The basic facts of this case aren't in dispute. When Miss F asked Moneybarn about changing her payment date, they should've told her this would mean the November 2019 and December 2019 payments would be taken within a few days of each other. And they didn't. I appreciate that this would've come as a shock to Miss F and having to sort this out would've been both frustrating and annoying for her.

But, for me to say that Moneybarn should refund the December 2019 payment to Miss F, I'd have to say that Moneybarn collected a payment that Mr F wouldn't otherwise have had to pay. And I don't think that's the case.

I've seen the statement of account for the period 4 September 2019 to 4 March 2021. This shows that Miss F made the first payment on 25 October 2019 (payment due date 4 October 2019). Two payments were then collected on 25 and 28 November 2019, one of which was returned unpaid. Miss F paid £118.68 towards the missing payment on 11 December 2019, and Moneybarn wrote off the shortfall in January 2020.

The statement also shows that the payments continued to be collected on the 28th of each month, although Miss F didn't make any payments in April, May or June 2020. And the schedule of payments made, plus the schedule of payments still to be made, shows that Miss F will pay the number of payments she originally agreed to. She's not making any additional monthly payments to Moneybarn as a result of the change in payment date.

I appreciate Miss F's frustration at what'd happened, and I agree that this could've been avoided if Moneybarn had explained what was going to happen, and when payments were going to be collected. But they didn't.

Miss F is not paying any additional payments as a result of what happened, and she would always have had to pay the payments due in November and December 2019 if the payment date hadn't been changed. So I don't think any of the payments she made – including the £118.68 partial payment made on 11 December 2019 – should be refunded to her. And I'm satisfied that Moneybarn writing off the remainder of this payment is sufficient compensation for the frustration and inconvenience Miss F suffered. So I won't be asking them to do anything more.

My final decision

For the reasons explained above I don't uphold Miss F's complaint about Moneybarn Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss F to accept or reject my decision before 2 April 2021.

Andrew Burford
Ombudsman