

## **The complaint**

Mr H and Miss R complain that Moneybarn No. 1 Limited ("Moneybarn") lent to them irresponsibly.

## **What happened**

The details of this complaint are well known to both parties, so I won't repeat them again here. Instead I'll focus on giving my reasons for my 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.

I know it will disappoint Mr H and Miss R, but I agree with the investigator's opinion. Please let me explain why.

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.

Mr H and Miss R acquired their car under a conditional sale agreement. This is a regulated consumer credit agreement and as a result our service is able to look into complaints about it.

Having carefully considered everything provided, I don't think there is sufficient evidence that the checks Moneybarn did were insufficient or that Mr H and Miss R were in no position to sustainably repay the loan Moneybarn provided.

Before agreeing to provide a loan a business should check that the loan is affordable. The type of checks which a business should carry out should be proportionate, so (for instance) a mortgage lender will ask for bank statements and payslips, but a catalogue offering a low credit limit doesn't have to go into so much detail.

In considering this complaint, I've looked at whether Moneybarn carried out proportionate checks, and at what information they had been given about Mr H and Miss R's financial circumstances.

Moneybarn have explained that they reviewed Mr H and Miss R's credit file, validated salary information and completed an affordability assessment. They therefore considered Mr H and Miss R's income and expenditure and their credit performance. They would have noted from that information that there were some historic defaults, but I don't think that would have been

sufficient, on its own, to suggest the loan was unaffordable. I think the checks Moneybarn conducted seem reasonable and proportionate in the circumstances.

But even if it wasn't I don't think I have enough information to conclude if Moneybarn's assessment had been even more detailed they would have discovered that Mr H and Miss R were unlikely to be able to sustainably repay the money provided. I say that because Mr H and Miss R haven't provided any bank statements for me to consider and I'm therefore unable to properly review the financial circumstances prevailing at the time.

So, I don't think there's evidence Moneybarn lent irresponsibly.

### **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 Mr H and Miss R to accept or reject my decision before 28 October 2021.

Phillip McMahon  
**Ombudsman**