

The complaint

Mr C complains that Moneybarn No. 1 Limited, trading as Moneybarn, were unreasonable to terminate his finance agreement when he was experiencing financial difficulties.

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 C, 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 C also complained about the quality of his car, but I note from our file that he's agreed we can close that complaint and focus on his concerns that Moneybarn were unreasonable to terminate his agreement and pursue the debt.

Mr C started to fall into arrears on his account as early as November 2017. He told Moneybarn about his financial difficulties at that point. When a consumer is experiencing financial difficulties, we'd expect a business to be sympathetic and to show some forbearance.

I think Moneybarn were sympathetic and did show some forbearance as they agreed several repayment plans with Mr C during 2018 in an effort to help him to get back on track.

Unfortunately, Mr C failed to keep to those agreed repayment plans. Moneybarn kept him informed about the debt he still owed, and they warned him of the consequences if he didn't pay. It wasn't until May 2019 that they sent a Notice of Default to Mr C. I think that notice was sent at an appropriate time as the account was by then just over three months in arrears. That notice explained that unless the arrears were paid further action would be taken, the account would be terminated, and the car repossessed.

As Mr C didn't clear the arrears I think Moneybarn were reasonable when they terminated the agreement a month later.

I can see that Mr C was abroad in June 2019 and I was sorry to hear he'd been ill whilst away and couldn't return to this country until October 2019. But I don't think it would be fair to suggest Mr C's illness, or his trip abroad, meant he wasn't aware of the debt or the potential default. He'd been informed of the default before he left the country and could therefore have attended to it before he departed.

I can see that since the account has been terminated Moneybarn have continued to show some sensitivity to the issues Mr C is facing and have offered a further repayment plan to help him repay the debt he owes in a sustainable manner.

Overall, I'm not persuaded that Moneybarn have done anything wrong here and I'm not asking them to take any further action.

My final decision

For the reasons I've given below I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 12 January 2022.

Phillip McMahon
Ombudsman