

The complaint

Mr J complains that Moneybarn No 1 Limited provided him with incorrect information following the insurance write off of his car.

What happened

In August 2020 Mr J was supplied with a car and entered into a conditional sale agreement with Moneybarn.

In or around January 2021 Mr J was involved in an accident and the car was written off by the insurance company. Mr J wanted to keep the car so he contacted Moneybarn, who advised him that if he wished to keep the car he would need to settle his agreement, and that if the payment from his insurance didn't clear the outstanding balance, he would need to set up a payment plan.

Based on this information, Mr J kept the car and arranged for it to be repaired at his own cost.

Mr J's insurance company didn't settle the full amount outstanding under the agreement, so Mr J contacted Moneybarn to arrange a payment plan. Moneybarn advised him that the car wouldn't be sold to him and that he remained liable to pay the balance due under the agreement.

Mr J was unhappy that he'd been given conflicting information and complained to Moneybarn. In response, Moneybarn acknowledged that it had provided incorrect information. It said that although it went against its policy of allowing an insurance write off to be retained, it would allow Mr J to retain the car on condition that he provided proof of MOT and insurance. It also asked Mr J to make arrangements to repay the outstanding balance under the agreement.

Mr J remained unhappy and complained to this service. He says he was caused distress when he was informed that he couldn't keep the car and says that Moneybarn failed to advise him of the balance due under the agreement.

Our investigator didn't think Moneybarn had acted fairly. He said that Moneybarn should've provided Mr J with correct information at the outset, and that Mr J had been caused inconvenience throughout the settlement process, for which compensation of £75 should be paid.

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.

Moneybarn has acknowledged that it provided incorrect information to Mr J when he asked if he could retain the car following the accident. Mr J acted in reliance on the information provided to him and has had the car repaired at his own cost.

Based on what I've seen, Mr J was aware that he needed to set up a payment plan for the outstanding balance under the agreement. However, when he contacted Moneybarn to set this up, it told him that he couldn't keep the car because it was against its policy. I can see that it has taken several months for Moneybarn to provide a final response to this complaint, which has added to the distress caused to Mr J. The impact on Mr J has been significant, because he already suffers from anxiety and this has been made worse by his worries that the car would be taken away from him.

Moneybarn has now agreed to let Mr J keep the car and he's provided the information requested. Moneybarn will remain the owners of the car until the outstanding balance is settled, so Mr J will need to make arrangements to pay this.

Putting things right

Taking everything into account, and whilst the issue of Mr J keeping the car has now been resolved, I don't think Moneybarn has done enough to acknowledge the trouble and upset caused to Mr J throughout this process, so I'm asking Moneybarn to pay compensation of £75 to Mr J.

My final decision

My final decision is that I uphold the complaint. Moneybarn No 1 Limited must pay £75 to Mr J for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 15 June 2022.

Emma Davy
Ombudsman