

The complaint

Mr T complains that Moneybarn No. 1 Limited ("Moneybarn") provided contradictory information regarding the termination of a finance agreement he had with them.

What happened

Mr T has been represented at times during this complaint but for ease, and because Mr T is named on the finance agreement, I will refer only to him in this decision.

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 T, 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 T acquired his van 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.

Moneybarn provided misleading information when Mr T contacted them in June 2021. They said, having lost his license, he could continue in his agreement if the van was insured. But the terms of his agreement required the van to be insured in his name and he wasn't told that.

I don't think an apology was sufficient to compensate Mr T for the inconvenience that created, and I'd agree with the investigator that Moneybarn should therefore pay him £150 in compensation.

I understand that Mr T believes the quote he received in May 2021 to terminate the agreement was lower than the one he subsequently received. But I disagree. The quote in May was for over £14,000 and the later quote was significantly lower.

I've also looked at the termination quote Moneybarn sent Mr T by mistake in January 2022. By that time the van had been voluntarily terminated by Mr T and I don't think it could be taken as a serious offer as it's not possible to terminate an agreement that has already been

terminated. I accept Moneybarn's explanation that the quote was sent automatically and by mistake and, whilst I can understand Mr T would have wanted to clarify matters, I don't think it had any financial impact. The terms and conditions Mr T agreed to at the start of the agreement said that to end it Moneybarn would then be entitled to the return of the goods and to half the total amount payable under the agreement. I can see that's the approach Moneybarn took when they provided the voluntary termination settlement to Mr T at the end of 2021. I don't think I've seen sufficient evidence to suggest that final voluntary termination quote was wrong and I'm not asking Moneybarn to take any further action about that.

Putting things right

Moneybarn should pay Mr T £150 compensation in respect of the distress and inconvenience caused when they provided misleading information to him.

My final decision

For the reasons I've given above I uphold this complaint in part and tell Moneybarn to pay Mr T £150 to compensate him for the distress and inconvenience caused. If Mr T is unable to pay the balance on the account immediately Moneybarn will need to show forbearance and agree an affordable repayment plan with him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 5 August 2022.

Phillip McMahon
Ombudsman