

## **The complaint**

Mr S complains that Moneybarn No. 1 Limited irresponsibly granted him a conditional sale agreement he couldn't afford to repay.

## **What happened**

In June 2018, Mr S acquired a used car financed by a conditional sale agreement from Moneybarn. Mr S was required to make 49 monthly repayments of around £311. The total repayable under the agreement was around £15,226.

Mr S says that Moneybarn didn't complete adequate affordability checks. He says if it had, it would have seen the agreement wasn't affordable. Moneybarn didn't agree. It said that it carried out a thorough assessment which included a credit check and verifying Mr S' income from his payslips.

Our adjudicator didn't recommend the complaint be upheld. He thought Moneybarn didn't act unfairly or unreasonably by approving the finance agreement.

Mr S didn't agree.

The case has been passed to me for 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.

Moneybarn will be familiar with all the rules, regulations and good industry practice we consider when looking at a complaint concerning unaffordable and irresponsible lending. So, I don't consider it necessary to set all of this out in this decision. Information about our approach to these complaints is set out on our website.

Before granting the finance, I think Moneybarn gathered a reasonable amount of evidence and information from Mr S about his ability to repay. I say this because it completed a credit check which it has explained showed Mr S had no recent missed repayments and while there was a defaulted account this occurred 71 months prior to his application and it said that there were no other adverse entries after this. It also verified Mr S' income using payslips. However, just because I think it carried out proportionate checks, it doesn't automatically mean it made a fair lending decision. So, I've thought about what the evidence and information showed.

I've reviewed the information and evidence Moneybarn gathered. Having done so I'm satisfied that the checks that were completed showed that the agreement was likely to be affordable to Mr S. I say this because Mr S' payslips showed his monthly income was around £1,599. Moneybarn didn't provide a copy of Mr S' credit report and so I have considered the information included in the copy provided by Mr S. I don't think this showed concerns that meant further checks should have taken place and gave credit commitments in line with

£283 that Moneybarn included in its assessment. This left Mr S with around £1,000 after making the agreement repayments for his living costs. Mr S' credit file didn't suggest he was experiencing financial difficulties and I do not find it unreasonable, based on his disposable income that Moneybarn considered this agreement affordable. For these reasons, I don't think Moneybarn acted unfairly when approving the finance application.

### **My final decision**

For the reasons given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 1 November 2022.

Jane Archer  
**Ombudsman**