

## **The complaint**

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

## **What happened**

In May 2018, Mr M acquired a used car financed by a conditional sale agreement from Moneybarn. Mr M paid a £15 deposit and was required to make 41 monthly repayments of around £205. The total repayable under the agreement was around £8,401.

Mr M 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 full credit check and verifying Mr M's monthly income through two months of bank statements. It says it then calculated Mr M's monthly repayment offer based on his income and allowing an appropriate amount for his non-discretionary expenditure.

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

Mr M didn't agree and said he couldn't afford the repayments and was out of work for six months. He said he explained his situation to Moneybarn, but it wouldn't decrease the early settlement amount.

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.

Moneybarn has explained some of the results from its credit check but it hasn't provided a copy. I've therefore relied on a copy of the credit file supplied by Mr M. I think this gives a good indication of what Moneybarn would likely have seen. At the time of the application it shows that Mr M was managing his outstanding commitments well and had no defaults or county court judgments in place. Therefore, I do not find that the credit checks would have suggested he was in financial difficulty or that the agreement shouldn't have been provided.

Before granting the finance, I think Moneybarn gathered a reasonable amount of evidence and information from Mr M about his income. I say this because it asked about his income and verified this through two months of bank statements. Moneybarn has said that it calculated its repayment offer taking into account an amount for Mr M's non-discretionary

expenditure, however as it had copies of Mr M's bank statements I think it would have been reasonable to have used this as part of its expenditure assessment.

I've reviewed the two months of bank statements that Mr M provided as part of his application. Moneybarn verified Mr M's average monthly income from his bank statements as around £2,154. The statements do not show any serious concerns that Mr M was struggling financially at the time and taking into account his regular expenses for costs such as transport, food and other credit commitments, I do not find I can say that the agreement appeared unaffordable.

Mr M has also complained that Moneybarn didn't assist him when he asked about settling the agreement early. I have looked through the system notes provided and can see that Mr M requested early settlement figures on several occasions and these were provided. Mr M explained that he wanted to pay a discounted amount due to his circumstances. While I understand that Mr M is upset that his offers of settlement payments weren't accepted, Moneybarn wasn't required to accept a reduced offer. I can see that Moneybarn did discuss the settlement with Mr M and while I understand that Mr M doesn't think it did enough to assist him, based on the information I have seen I do not find I can say it treated him unfairly.

### **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 M to accept or reject my decision before 1 December 2022.

Jane Archer  
**Ombudsman**