

## **The complaint**

Mr F is unhappy that Moneybarn No.1 Limited incorrectly reported arrears on his credit file, refused to accept a reduced payment arrangement, and failed to call him when agreed.

## **What happened**

On 23 November 2020, Mr F was supplied with a used car through a conditional sale agreement with Moneybarn. He paid an advance payment of £400 and the agreement was for £11,590 over 47 months; with monthly repayments of £499.54.

Mr F had previously complained to the Financial Ombudsman Service about how Moneybarn dealt with his agreement. We upheld this complaint and it was agreed that Moneybarn would amend his credit file to remove any reported arrears up to and including August 2021. Mr F says they didn't do this and, as a result, it affected his ability to use the contactless function on his bank card. And it meant that he incurred higher travel costs as a result.

Mr F didn't make the payments for November 2021, December 2021, or January 2022. He then paid Moneybarn £200 a month until April 2022, recommencing full payments from May 2022 onwards.

Mr F complained to Moneybarn about their failure to amend his credit file; that they wouldn't agree to him making reduced payments; that they failed to call him when requested; and that they continued to send him arrears letters. Moneybarn accepted they didn't correct Mr F's credit file for August 2021, amended this, and reduced his arrears balance by £120, by way of compensation. They also acknowledged they'd given Mr F conflicting information about when they'd call him and reduced his arrears balance by an additional £75 by way of compensation. They also agreed to pass Mr F's account to a specialist team to provide him with additional support.

Mr F wasn't happy with Moneybarn's response and he brought his complaint to us for investigation.

Our investigator said he'd seen nothing to show the issue with the credit file and Mr F being unable to use his bank card for contactless payments were connected. And he didn't think they would be, as Moneybarn were unconnected to Mr F's bank. Given this, he thought the £120 compensation Moneybarn had offered for their error in correcting the credit file was reasonable in the circumstances.

The investigator also said he'd listened to the March 2022 call between Mr F and Moneybarn when Mr F provided his income and expenditure details. And, even after including all Mr F's medical and travel expenses, this showed he had a disposable income of more than £1,700 a month. So, he thought Moneybarn had acted reasonably by not agreeing a reduced payment. The investigator also said that, while Moneybarn had subsequently told Mr F that the income and expenditure information was entered into Moneybarn's system incorrectly, he hadn't seen anything to show this was actually the case.

Finally, the investigator said that, as Mr F was in arrears, Moneybarn hadn't done anything wrong by writing to him to let him know this. But there had been a problem when Moneybarn called Mr F to discuss his account, and these calls weren't always made at the times Mr F had asked for. But he thought the £75 Moneybarn had offered was reasonable in the circumstances and he didn't think they needed to do anything more.

Mr F didn't agree with the investigator. He said that Moneybarn had told him the income and expenditure form had been filled in incorrectly. And that they also told him they would call him on certain days but didn't do this. Which resulted in them calling him to provide income and expenditure details when he didn't have it available.

Because Mr F didn't agree with the investigator, he's asked for an ombudsman to make 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.

Having done so, I've reached the same overall conclusions as the investigator, and for broadly the same reasons. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome.

In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and (if appropriate) what I consider was good industry practice at the time. Mr F was supplied with a vehicle under a conditional sale agreement. This is a regulated consumer credit agreement which means we're able to look into complaints about it.

It's not disputed that, when amending Mr F's credit file, Moneybarn initially failed to remove the arrears marker for August 2021. And this wasn't done until Mr F contacted them about this. However, I've not seen anything to link this error with Mr F not being able to use his bank card for contactless payments – there are many reasons why contactless payments can't be used, including (but not limited to) a new bank card not being activated for contactless, or the contactless limit being reached, meaning the card would need to be used as a chip and pin to allow for contactless payments to be reactivated. And this is something Mr F would need to raise with his bank to find out the reason. But, based on what I've seen, it's not something I can hold Moneybarn responsible for.

I've listened to the call between Mr F and Moneybarn when the income and expenditure form was completed. During this call Mr F confirmed he had a total monthly income of £4,489, and a total monthly expenditure of £2,738, plus £25 he paid to his credit card. This figure included his travel and accommodation costs for medical appointments, which Mr F said was £840 a month. But he also said he was expecting this to halve in around three months.

I've also seen a copy of the income and expenditure form Moneybarn completed during this call. This shows an income of £4,489 a month, and outgoings of £2,738 a month. These outgoings included the full £499.54 payment to Moneybarn, as well as the costs of running the car (tax, insurance, maintenance, fuel etc.) and the £840 Mr F had advised them of (detailed as care and health costs). Taking this into account, as well as the payments Mr F made to his credit card, Mr F was left with more than £1,700 a month disposable income.

While I appreciate that Mr F wanted Moneybarn to reduce his payment to £200, for around three-months, to give him a cushion against a potential increase in future medical travel and accommodation costs; given the amount of disposable income Mr F had confirmed he had, I don't think Moneybarn acted unreasonably by not agreeing to this.

Mr F has subsequently told us that his medical travel and accommodation costs had increased to around £400 a week for a period of six to eight weeks. And he's provided some evidence of this. This is around £760 a month more than the £840 Moneybarn had accounted for. But it would still have left Mr F with around £900 a month disposable income for this period. As such, had Mr F told Moneybarn of this increase, I don't think it would've been reasonable for them to have agreed a reduced payment – Mr F could still clearly afford the full payment.

However, where Moneybarn have made an error, was in telling Mr F in a subsequent phone call that his medical travel and accommodation expenses hadn't been included in the income and expenditure calculation. While being told this would be upsetting for Mr F, and lead him to think that a payment arrangement could've been put in place; for the reasons already given, I'm satisfied that these expenses were taken into consideration by Moneybarn when they looked at his request for a temporary payment reduction.

In respect of the arrears letters, Mr F is unhappy that Moneybarn have sent these to him. However, it's clear from what I've seen that he was behind with his payments. And Moneybarn had a regulatory requirement to send him certain notifications. I appreciate Mr F was seriously ill, and that he was frustrated with how Moneybarn were acting, so he would find any such letters to be unwarranted and unacceptable. But, as I've said, Moneybarn were required to send these. So, I don't think they were acting in a threatening or harassing way.

Finally, Moneybarn have also acknowledged they didn't always call Mr F on the days he asked them to. I can see how frustrating this would've been for Mr F, especially as they then called him at times when he was undergoing medical treatment. However, I'm satisfied that the £75 they paid him for this inconvenience, in addition to the £120 they previously paid, is in line with what I'd have asked them to pay had no offer been made.

As such, for the reasons stated, I'm satisfied that Moneybarn acted reasonably, and I won't be asking them to do anything more.

### **My final decision**

For the reasons explained, I don't uphold Mr F's complaint about Moneybarn No.1 Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 16 February 2023.

Andrew Burford  
**Ombudsman**