

The complaint

Miss B complains about the way Moneybarn No 1 Limited (Moneybarn) handled her Conditional Sale Agreement (CSA). She would like the interest charged, and a recovery charge for her car refunded.

What happened

The details of this complaint are well known to both parties so I won't repeat them again here, instead I will focus on giving the 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.

Having done so I have reached the following conclusions:-

- I do appreciate the difficult personal circumstances that Miss B has shared with us. She has raised a number of issues with her CSA and I think it would be helpful if I look at these in turn.
- In terms of the interest rate Moneybarn charged I have seen the agreement Miss B signed. The interest rate is clearly stated on the agreement so I think Miss B would have been aware of that when she took out the agreement. The CCJ she says she was unaware of on her credit file may well have affected her credit score as businesses reasonably use credit data when offering loans. But if Miss B wasn't happy with the interest rate she could have looked for finance elsewhere. I can't see that Moneybarn was at fault here.
- I appreciate Miss B says she had problems contacting Moneybarn when her income dropped. It is very frustrating to have long wait times on phone calls. But looking at the contact from Moneybarn I can see that from June 2021 through to September 2021 when Miss B did manage to make contact via the online portal Moneybarn sent emails, texts, and letters to Miss B so I think she would have been aware of other ways to contact Moneybarn.
- In terms of Miss B's financial situation, we do expect businesses to respond positively and sympathetically when consumers have financial problems. As I understand it Miss B's account went into arrears in June 2021. From the contact notes it seems Moneybarn attempted to contact Miss B by various means at least ten times about her account prior to her online portal contact in September 2021. In its correspondence Moneybarn offered various ways of helping, for example a possible payment holiday, support to get back on track with her account, and details of organisations Miss B could contact for help. These are appropriate steps I would have expected Moneybarn to take.
- Miss B's main issue seems to be that she says Moneybarn only offered her the

option to clear the finance or return the car, it didn't offer a repayment plan. And she doesn't agree that she didn't have the income to meet a repayment plan. When Miss B contacted Moneybarn via its online portal she said her situation had changed, she was looking for a new job and could only make a partial payment that month. Although in response Moneybarn emailed to say the full arrears of £554 needed to be paid off before 12 October 2021, it also included a link for an income and expenditure plan in the email to see if a repayment plan was suitable. I think this was responsible as we would expect Moneybarn to ensure that any payment plans are affordable. So, I think Moneybarn was prepared to consider a repayment plan, if suitable.

- I can't see any evidence to show that Miss B either told Moneybarn her financial situation had improved from September 2021, and she could now meet a repayment plan. Or that she completed and returned an income and expenditure plan to confirm this. I think it would have been irresponsible of Moneybarn to have agreed a repayment plan without having up to date details of Miss B's income and expenditure. So, as I can't see evidence Miss B provided the appropriate information for Moneybarn to consider a repayment plan I don't think it was wrong not to offer one.
- Although Moneybarn went ahead and repossessed the car, which it was entitled to under the agreement Miss B signed, it did offer Miss B a seven-day breathing space on 8 November 2021 when Miss B made contact. It put Miss B's account on hold and halted repossession proceedings. I think this was a reasonable course of action. But as it had no further contact from Miss B by 17 November 2021 it began repossession proceedings. In the absence of any contact at that point from Miss B I don't think that was unreasonable.
- Although we expect businesses to respond positively and sympathetically when consumers have financial problems that doesn't automatically mean we expect them to write off interest on loans as Miss B would like. I think Moneybarn supported Miss B in the ways I would expect. It attempted regular contact with her in several different ways offering options to support her. In the absence of any income and expenditure information from Miss B I don't think it was unreasonable in not agreeing a repayment plan or in repossessing the car when Miss B didn't contact Moneybarn after the seven-day breathing space given. On this basis I can't reasonably ask Moneybarn to refund the interest on Miss B's agreement as she would like or refund the collection fee for which she is liable.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 16 May 2023.

Bridget Makins
Ombudsman