

## The complaint

Mr S complains that Moneybarn No. 1 Limited mis-sold him a conditional sale agreement by failing to tell him how much interest he would have to pay.

## What happened

In October 2015 Mr S bought a car under a regulated conditional sale agreement with Moneybarn. The agreement contained the following information on the first page:

<b>Financial Information</b>	
Cash Price:	£13,000.00
Advance Payment (payable on the date you sign this agreement):	£400.00
Amount of Credit:	£12,600.00
Interest Charges:	£12,616.01
Total Charge for Credit:	£12,616.01
Total Amount Payable:	£25,616.01
Term of the Agreement :	60 months

Immediately below that, the agreement said that Mr S would have to make 59 monthly payments of £427.39. And just below that, it said that the interest rate was 37.3% a year. He signed the two-page agreement on the second page.

In July 2022 Mr S complained that the agreement had been mis-sold because Moneybarn had never told him how much interest he would have to pay. Moneybarn said it had, and sent him another copy of the agreement to prove it. Being dissatisfied with that response, Mr S brought this complaint to our service, but our investigator didn't uphold it either. He thought the agreement had been clear.

Mr S asked for an ombudsman to review his case. He said he had been required to pay more in interest than the car was actually worth, and he asked how this could be legal.

## 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 that, I do not uphold it. I think that the agreement was perfectly clear, and I cannot accept that Moneybarn didn't tell Mr S how much he would have to pay, and how much of that was interest.

Mr S's question about the legality of the agreement is moot, because the interest was not more than the car was worth. The cash price of the car was £13,000, and the interest was

£12,616.01. The interest was more than he borrowed, but there is no law against that.

### **My final decision**

My decision is that I do not 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 30 October 2023.

Richard Wood  
**Ombudsman**