

## **The complaint**

Mr S complains about the amount of interest Moneybarn No.1 Limited (“Moneybarn”) has charged on his finance agreement.

## **What happened**

In October 2019, Mr S entered into a conditional sale agreement with Moneybarn to purchase a car.

Mr S complained to Moneybarn about the agreement in October 2023. He raised concerns about the total amount he was expected to pay, saying the interest wasn’t made clear at the time of buying the car. Mr S was also unhappy Moneybarn couldn’t provide a signed copy of the agreement.

Moneybarn doesn’t agree it’s done anything wrong. It says documents were provided to Mr S before entering into the agreement that clearly set out the interest rate of the loan and the total amount payable. It also says this information was then provided in welcome documents and annual statements. Moneybarn says it has charged interest in line with the loan agreement, so doesn’t agree it’s done anything wrong.

Unhappy with Moneybarn’s response, Mr S referred his complaint to this service. One of our Investigators looked into what happened and didn’t think Moneybarn had made an error. She said the interest rate was clearly displayed in the agreement, and thought this information had been available to Mr S before entering into it. Our Investigator also said the agreement had been correctly set up and Moneybarn had been able to provide an electronically signed copy of the agreement. So, she didn’t think Moneybarn needed to do anything further.

Mr S remained unhappy, questioning why Moneybarn had only now been able to provide details of the signed agreement. He also reiterated that the amount he’s expected to pay under the agreement was a rip-off. The complaint was therefore passed to me to decide.

## **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.

In this complaint, it’s clear Mr S is unhappy with the amount he’s being asked to repay under the agreement. I think it’s important to set out that it isn’t for me to say how much interest Moneybarn can charge, rather this is a decision the firm itself is entitled to make.

Therefore, in this complaint, what I’ll be deciding is whether Mr S was given clear information about the loan before he entered it, including the cost of the agreement, and the rate of interest.

Moneybarn said that Mr S was provided with a document called ‘Explaining your proposed finance agreement’ (often known as pre-contract information). I’ve seen this document and it prominently set out the amount Mr S wanted to borrow, the total amount repayable and that

the APR would be 35.7%. The agreement also set out this information on the first page, again in a prominent position.

Moneybarn has also provided evidence from its internal records that Mr S electronically signed both the 'Explaining your proposed finance agreement' to confirm his receipt and understanding of this document and the agreement itself in October 2019. It appears most likely therefore that Mr S was provided clear information on the cost of the agreement before entering it and that he was happy to sign the agreement based on that information.

Mr S has not said he did not sign these documents or that they were not provided to him, just that the information was not clearly explained to him by the credit broker. I can consider things said or done, or not said or not done by the credit broker in the pre contract negotiations as part of a complaint about Moneybarn.

I wasn't present for the pre-sale discussions, but it seems unlikely to me that Mr S could have got as far as agreeing to be supplied with the car having had no discussion about the monthly repayments or the total amount he'd have to repay. But even if he did, I'd suggest this information was so important to the deal, and so clearly presented in the relevant paperwork he was given, that he ought to have known what it was before he signed the agreement in any event. I've seen no reason to think Mr S didn't have the opportunity to read the key information about the cost of the agreement and the interest that would be charged before he signed the agreement or that was in some way concealed from him.

I note Mr S has questioned why Moneybarn didn't provide a signed copy of the agreement when he complained but has since provided a copy to our service. While I acknowledge it would have been helpful to provide this sooner, I'm satisfied that Moneybarn has now provided a copy of this, confirming the terms and cost of the agreement were set out.

Taking this into account, I've then reviewed how the account was set up and can see Mr S has been charged monthly in line with the terms of the agreement, so I don't think Moneybarn has made an error on this point.

I appreciate this answer will likely come as a disappointment to Mr S, however from the evidence available, I'm satisfied he was provided with clear information about the cost of the agreement before entering it and has been charged accordingly. As a result, I don't think Moneybarn has made an error and don't uphold this complaint.

### **My final decision**

For the reasons I've set out 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 4 November 2024.

Christopher Convery  
**Ombudsman**