

The complaint

Mrs C complains that Moneybarn No 1 Limited has treated her unfairly in the customer service it has provided her.

What happened

In April 2023 Mrs C bought a car using finance from Moneybarn No 1 Limited ('MNL' for short). She complained about the finance and MNL upheld her complaint and unwound the finance which necessitated Mrs C returning the car. Mrs C complains that whilst this was happening the customer service from MNL was very poor. She also complains that MNL's reporting on her credit file meant she was forced to rent a car to get to work and she lost out on pay because of what MNL did. So she wants over a thousand pounds from MNL to cover her losses. MNL considered Mrs C's complaint and decided it hadn't done anything wrong. So Mrs C brought her complaint here.

Our Investigator considered the matter and felt that MNL had treated Mrs C unfairly and asked it to pay £200 to Mrs C. MNL chose not to respond to the assessment by the Investigator. Mrs C didn't agree so this decision came 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.

Mrs C has described having significant mental health issues during these events and that she told MNL about them. I've considered Mrs C's health throughout my review of the facts here as it's an important consideration.

I'm not going to repeat what happened here as both parties are familiar with what happened and there is no dispute as to the main facts of what happened. The factual events set out in the investigator's assessment is a fair representation of what happened and when, and that narrative of events hasn't been disputed by either party.

Mrs C had her original complaint upheld about the lending it had made to her to finance the car. She complained about it being unfair lending and MNL agreed. Accordingly the car had to be given back as part of unwinding the finance, which is in line with our approach to such situations. It would appear that Mrs C didn't know that if her complaint was successful she'd have to relinquish the car. However I'm not persuaded MNL did anything wrong in this methodology and it wasn't for MNL to advise Mrs C about this prior to it concluding its investigation into her complaint.

It is clear that in some of its communication with Mrs C about the return of the car Mrs C spoke to MNL staff who weren't familiar with such complaint redress methodology or didn't know about her situation or her complaint. So I can well imagine this would be difficult for anyone but particularly challenging for Mrs C due to her health. I can also see a number of errors in these communications by MNL. So I think its customer service to Mrs L is a failing which needs remedy because MNL should be able to get such matters right. After all it did

manage her complaint properly and thus should be able to properly explain that to Mrs C and do the practical side of consulting with her and recouping the car without difficulty. So I think some form of award here is fair. Notwithstanding that, although matters took longer than they should have, this wasn't a case of a substantial unreasonable delay here. So any award should only be modest in my view.

Mrs C complains that her credit score dropped significantly during this period meaning she couldn't get new credit. However MNL is obliged to report correctly and I've not seen any persuasive evidence that it made errors in its reporting. I appreciate Mrs C was very ill during these events but unfortunately for her MNL doesn't have a free hand here to report to credit agencies, it is obliged to report accurately and I'm satisfied it has.

Mrs C says she had to hire a car and wants MNL to pay for this. But I don't think it should. For it to be fair for MNL to cover this cost it has to do something wrong to have caused this cost. But it hasn't caused this cost through any failing. It reported accurately. And this cost arose because of Mrs C not having a car because she was obliged to return the car due to the complaint she raised (and was represented in). Whether or not MNL had ever been involved during the period in question Mrs C needed a car because of her need to commute, which was consistent throughout, so I'm not persuaded it should pick up these costs.

Similarly I see no reason for MNL to pick up the cost of Mrs C's missed pay. It's not her employer and naturally as a consequence of needing to hand the car back as a consequence of her complaint being upheld I don't see any persuasive reason for it to cover this lost income. Mrs C says she didn't have any realistic choice but to do what she did but MNL isn't responsible for her commuting or where she lives or where her employer are. MNL's failings in this case didn't cause the issues Mrs C wants to be compensated for. MNL correctly reported the situation and fairly couldn't provide any refund until the car had been recovered and assessed. And during the period before the car's collection Mrs C benefited from having it in her possession as it enabled her to have use of the car and not to have to hire a car or rely on transport through other means.

Mrs C has said that MNL could have advised her better during these events and had it done so she'd have taken another course of action. However for me to uphold complaints businesses actually have to have made a mistake or acted unfairly. That is the test I have to apply. Mrs C points to where she works and how far away it is and says that having a car is a necessity in real terms. This maybe so, but MNL isn't responsible for where she works or her commute. And her not having this car flows from her complaint about being given finance to have it in the first place. Where she lives and works are not the responsibility of MNL. And once MNL told her it would be taking back the car she knew that she needed a long term solution to having no car from that point on. So bearing in mind Mrs C argues that had she known more she'd have bought a car rather than hiring, I don't see what failing MNL did that meant she decided to hire when she says she could have bought. So although I appreciate Mrs C says she didn't have a realistic choice here due to her circumstances those are not the responsibility of MNL.

Putting things right

So having considered everything that's happened here I think MNL must pay Mrs C £200 for the distress and inconvenience caused here. But I'm not persuaded it should pay what Mrs C wants as those costs do not flow from MNL's failings.

My final decision

I uphold this complaint against Moneybarn No. 1 Limited. I direct it to remedy the matter as I've described.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 14 October 2024.

Rod Glyn-Thomas
Ombudsman