

The complaint

Miss M complains about the lack of support that she's received from Moneybarn No. 1 Limited, trading as Moneybarn, about a car that was supplied to her under a conditional sale agreement.

What happened

I issued a provisional decision on this complaint earlier this month in which I described what had happened as follows:

"A used car was supplied to Miss M under a conditional sale agreement with Moneybarn that she signed in March 2019. The price of the car was £7,067.78 and she agreed to make 59 monthly payments of £216.89 to Moneybarn. Miss M didn't make all of those payments and Moneybarn says that the agreement was terminated in January 2023. It obtained a county court judgment for delivery of goods in May 2023 which ordered that the delivery of the car to Moneybarn be suspended if Miss M made monthly payments of £359.22 until the outstanding balance of £3,793.58 was paid.

Miss M complained to Moneybarn in February 2024 that she'd had no response from it to her calls and e-mails about the agreement. It said that it understood and apologised for the lack of responsiveness and support and it credited £100 compensation to Miss M's account for the distress and inconvenience caused.

Miss M wasn't satisfied with its response so complained to this service. Her complaint was looked at by one of this service's investigators who, having considered everything, thought that it should be upheld. He said that Miss M was caused a degree of distress and inconvenience that could've been avoided and he recommended that Moneybarn should pay a further £100 to Miss M for the distress and inconvenience caused to her by the lack of response to her requests for support. He also said that Miss M might wish to contact the county court to discuss the judgment and whether she has any options to return the car.

Miss M didn't agree with the investigator's recommendation so I've been asked to issue a decision on her complaint. She says that, if Moneybarn had got back in touch, it could have advised her to contact the county court, the car could have been returned and it would have been in a state for resale to clear the balance, but the car is now sitting going to ruin and won't get the sale value to clear the balance which will leave her with a large debt that she can't afford. She says that she's set up a debt management plan and has described the effect that this situation has had on her mental health".

Provisional decision

I set out my provisional findings in my provisional decision which were:

"Moneybarn says that Miss M's agreement was terminated in January 2023 so the

options for exiting the agreement are no longer available to her. It obtained a county court judgment for delivery of goods in May 2023 which said that, by consent, it was ordered that the delivery of the car to Moneybarn be suspended if Miss M made monthly payments of £359.22 until the outstanding balance of £3,793.58 was paid.

Moneybarn has provided a statement for Miss M's account which shows that she made payments of £359.22 to it in March and May 2023 (before the judgment was issued) and then monthly from June to September 2023 when the payments seem to have stopped because of Miss M's financial difficulties.

The judgment said that, if Miss M didn't make the monthly payments of £359.22, Moneybarn was permitted to effect recovery of the car. It's clear that Miss M contacted Moneybarn in September, October and December 2023 about her situation but it didn't return her calls or respond to her e-mails. If it had done so, I consider it to be reasonable to conclude that it would have understood that Miss M wasn't going to be making the payments required under the judgment and that it would then have exercised its right to effect recovery of the car.

When Miss M complained to it February 2024, it upheld her complaint and credited £100 to her account but didn't take any other action about the debt that it was owed by Miss M or to recover the car. Miss M says that she can't afford to use the car and that it's parked on her neighbour's land and "is going to ruin". She says that she's paying her neighbour £100 a month for use of the land but she's provided no documentary evidence to show that she's making those payments.

I consider that Moneybarn should have recovered the car from Miss M soon after it attempted to return her call in September 2023. I consider it to be likely that the car would then have been sold and the proceeds of sale applied to Miss M's account to reduce her outstanding balance. But that hasn't happened and Moneybarn accepts that there was a lack of responsiveness and support for Miss M's situation. That lack of support and responsiveness has led, at least in part, to the car sitting unused for nearly fourteen months.

In these circumstances, I consider that it would be fair and reasonable for Moneybarn to arrange and pay for the car to be collected from Miss M and to write-off the outstanding amount that she owes to it. As I consider that Moneybarn should write-off the balance of Miss M's account, I don't consider that it would be fair or reasonable for me to require it to pay any further compensation to her for the distress and inconvenience that she's been caused or to reimburse her for any of the payments that she's made to her neighbour".

Subject to any further comments or evidence that I received from Miss M or Moneybarn, my provisional decision was that I intended to uphold this complaint. Both Miss M and Moneybarn have accepted my provisional decision. Moneybarn says that the court judgment states that if Miss M failed to comply with the repayments, it could collect the car and add £517 to the remaining balance meaning that Miss M is still held liable until the agreement is fully paid off (even after collection), but it has decided to accept my proposed settlement by collecting the car (at no expense to Miss M) and writing-off the remaining balance.

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.

As Miss M and Moneybarn have accepted my provisional decision, there's no reason for me

to change it.

Putting things right

I find that it would be fair and reasonable for Moneybarn to take the actions described in my provisional decision and as set out below.

My final decision

My decision is that I uphold Miss M's complaint and order Moneybarn No. 1 Limited to arrange and pay for the car to be collected from Miss M and to write-off the outstanding amount that she owes to it.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 18 December 2024.

Jarrold Hastings
Ombudsman