

## **The complaint**

Miss F complains about how Moneybarn No. 1 Limited (\*Moneybarn\*) dealt with her when she got into financial difficulties with her car finance agreement.

## **What happened**

Miss F entered a conditional sale agreement with Moneybarn in March 2021 for the supply of a used car. The agreement was for a period of 60 months. In 2024 she began struggling to make payments and has shared with Moneybarn and our service some of the details of what was going on for her at the time. I thank her for being honest about the personal difficulties she was going through, and confirm I've read them all, but won't comment on anything specific here to protect her anonymity.

She complained to Moneybarn on 30 July 2024, after they had issued a default notice on her account on 24 July 2024. She's said that they didn't deal with her fairly, didn't follow her preferred communication preferences to deal with things via email, and didn't log the details of her personal circumstances which meant she had to repeat them in different communications which was distressing. She doesn't think it's fair that her account was terminated.

After terminating her account, Moneybarn put in place a suspended return of goods order, meaning she agreed a payment plan and got to keep the car if she kept up payments on that plan.

Moneybarn issued their final response letter (FRL) on 1 October 2024 and didn't uphold her complaint. They said they were satisfied they had communicated fairly with her, and could only do certain things over the phone, so couldn't always adhere to her preferred communication style, for fair reasons.

Unhappy with this FRL, Miss F brought her complaint to our service. An investigator here investigated and didn't uphold it, saying they were satisfied she had been treated fairly. Miss F came back with details of communications Moneybarn had ignored, and the investigator updated their response but still didn't uphold her complaint, saying that they were still satisfied she had been treated fairly. Miss F didn't agree with this and asked for an Ombudsman to make a final decision, so the case has been passed to me.

## **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've reached the same overall conclusions as the investigator, and for broadly the same reasons. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome. Where evidence has been incomplete or contradictory, I've reached my view on the balance of probabilities – what I think is most likely to have happened given the available evidence and wider circumstances.

In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and (if appropriate) what I consider was good industry practice at the time. Miss F was supplied with a car under a conditional sale agreement. This is a regulated consumer credit agreement which means we're able to investigate complaints about it.

I'm sorry that Miss F suffered some problems last year but was glad to see she's been able to now restructure a payment plan and keep the car. She's said she believes the poor service from Moneybarn caused her agreement to be terminated, but I don't agree with that. Financial services companies face a difficult situation when a customer is struggling to pay, and sometimes there is no easy answer to keep everyone happy. I wouldn't expect a business to continue not receiving full payments on the promise that things will change eventually, and there is a process in place to default/terminate credit agreements which Moneybarn have stuck to and executed fairly.

Miss F feels that the fact they ignored some of her communications caused this issue, but unfortunately, this issue arose because she was unable to make payments. I empathise with the reasons why she couldn't make payments at times, but a business can't be expected to allow arrears to build up without taking any action. Apart from anything else, allowing arrears to build up, if they end up not being able to be paid, can leave a consumer worse off, not better off, as they may then owe more money than would have been the case if the issues had been dealt with in a timely way.

Moneybarn have highlighted that they made many attempts to contact Miss F when the arrears began to build, but didn't receive any contact back from her. Miss F feels that their lack of contact around the time the default notice was issued is why the agreement was ultimately terminated, but I'm afraid I can't agree with this. The default notice issued on 24 July 2024 explained that for the agreement not to be terminated, she would need to make up the arrears at the time of approaching £1200 by 13 August 2024.

In fact, Moneybarn gave her longer, as they didn't terminate the agreement until 10 September 2024. Ultimately, to avoid this happening, the money she owed needed to be paid, and it wasn't. It's important to recognise that part of treating a customer fairly when they are in financial difficulties is ensuring that arrears are not allowed to build up indefinitely, as this would also be unfair on a consumer when they must deal with a larger problem down the line.

Miss F has concerns with the contact or lack of from Moneybarn, but I can't agree that this was significant in what's happened here. Miss F has told us she prefers email communication as she gets anxious on the phone, and I'm sorry that this is the case. But it's very difficult to deal with payment problems when it's hard to have a two-way conversation by email to work out how much someone can afford to pay now, and in the future.

I've seen numerous attempts to contact her from Moneybarn; some successful and some not. I accept that they didn't respond to every email she sent, but ultimately, that wouldn't have made a difference here. Miss F was in arrears and couldn't pay off those arrears at the time. If she'd had responses to each email immediately, it wouldn't have changed the outcome here. Things had reached the point where Moneybarn weren't able to accept any promises of future payment, and had made the decision that unless she could catch up the arrears, they were going to have to end the agreement, and I'm not persuaded that was unfair.

Ultimately, once Moneybarn had issued the default notice, it was up to Miss F to ensure that if she didn't want the agreement to be terminated, she made contact and arranged to pay the

arrears on the account. Miss F has asked to be compensated for the stress and inconvenience the actions of Moneybarn have caused her. I have no doubt that this was a stressful time for her, based on what she's explained about her circumstances at the time, as well as the fact that going through financial difficulties is often stressful. But I'm not persuaded that there were any failings by Moneybarn which caused or added to this stress.

Miss F has also said she was forced to repeatedly explain her circumstances by Moneybarn because they didn't make notes of what she was telling them, which caused her more stress. Moneybarn have said that until she gave them permission to note down the issues Miss F was suffering, they didn't feel they should keep a record of the personal issues she was dealing with and telling them about. They've highlighted a time where they asked for her permission to note the circumstances down, but didn't receive a reply to confirm they could do this.

Overall, I accept Miss F felt stressed at having to repeat what was going on in her life in different contact with Moneybarn, but I can't say this was due to any lack of care or competence. It was a difficult situation, and was always going to be stressful, and I think Moneybarn tried their best to treat her fairly at this time, in what were very difficult circumstances.

I'm sorry that Miss F was having such a tough time, but ultimately, I'm satisfied Moneybarn have treated her fairly and I'm not persuaded any actions or inactions by Moneybarn have caused any further issues here. I won't be asking them to do anything more.

### **My final decision**

I am not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss F to accept or reject my decision before 12 August 2025.

Paul Cronin  
**Ombudsman**