

The complaint

Mr L complains about the service he received from Moneybarn No. 1 Limited ("Moneybarn"). He says he had to pay for repairs to his car, so he chose to not pay one month of the car finance agreement to recover his losses. He's unhappy that Moneybarn didn't pay for the repairs to his car and that it won't clear the outstanding arrears on his finance agreement.

Mr L is represented in his complaint. For ease of reading, all submissions made by Mr L and his representative will be referred to as having been made by "Mr L".

What happened

Mr L entered into a conditional sale agreement with Moneybarn in June 2023 for a used car. The cash price of the car was £13,095, and after taking into consideration an advanced payment, the amount of credit provided totalled £11,820. The credit agreement was set up over a 60-month term, with monthly repayments of £401.83, which meant that the total amount repayable by Mr L would be £24,982.97. The car was around ten years old and had been driven 90,000 miles.

Mr L told us:

- He purchased a 10-year-old used car in 2023, but in November – just five months later – it stopped working. So he contacted the supplying dealership and Moneybarn;
- the car was taken for inspection and diagnostics, but the warranty wouldn't cover the necessary repairs;
- the car was off the road for several weeks before the supplying dealership took the car back and undertook repairs;
- he had to pay for these repairs – just over £400 – because Moneybarn refused to do so, but when he complained about this, both Moneybarn and the credit broker each offered a £100 gesture of goodwill;
- because of the repairs he'd had to pay for, and the time he'd had no use of the car, he decided to withhold one monthly payment;
- he wants Moneybarn to look at things properly and in accordance with the law and reimburse him fully for the repairs he paid for and clear the arrears on his account as a gesture of goodwill.

Moneybarn rejected this complaint. It told this Service that it had investigated the complaint about the satisfactory quality of the car it had supplied, and it had provided Mr L with its *final response* on 16 January 2024. It said Mr L had referred any complaint about the satisfactory quality of the car to this Service too late, and it didn't consent to our Service looking at a complaint about this.

Moneybarn also rejected Mr L's complaint about the arrears on his account. It said that although it understood that having an issue with a car *"may be costly and unpleasant, you are still required to make regular monthly payments towards your agreement as per your signed contract and missing a payment is a breach of your agreement"*.

Our Investigator looked at this complaint and said she didn't think that it should be upheld. She explained that because more than six months had elapsed between the date of Moneybarn's final response letter and the date that Mr L brought his complaint to our Service, she could not look at a complaint about the satisfactory quality of the car – the faults that caused it to stop working in November 2023 and resulted in the repairs that Mr L complains about.

She explained that although she could understand why someone might choose not to make their monthly payment in the circumstances Mr L described, he still needed to make his monthly payments under the agreement that he'd signed. And because he'd deliberately missed one of these contractual payments, Moneybarn was within its rights to contact him about this, and the arrears on his account that arose because of his actions.

Mr L disagreed so the complaint comes 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.

Having taken everything into consideration, I've reached the same conclusion as our investigator, and I'll explain why.

Satisfactory quality of the car supplied by Moneybarn

Mr L complains about the problems with the car he acquired from Moneybarn under the conditional sale agreement. I can see that he raised a complaint about this with Moneybarn in November 2023, and Moneybarn provided its *final response* on this subject on 16 January 2024.

The rules say that, where a business doesn't consent, I can't consider a complaint which is referred to me more than six months after the date it sends the customer its final response letter advising them that they may refer the complaint to this office. Dispute Resolution (DISP) rule 2.8.2R (1) can be found in the regulator's handbook of rules and guidance.

In this case, a final response was issued on 16 January 2024 and so Mr L had until 16 July 2024 to refer the matter to this Service. But he didn't do so until 15 August 2024 and so I conclude this part of his complaint was referred out of time under the strict rules that I have to apply.

I've also considered whether there were other exceptional circumstances that may apply in this particular case. But this means circumstances which would have *prevented* Mr L from referring his complaint in time had he chosen to do so.

I've considered what Mr B has said, but while I know this will be disappointing for him, I don't think that exceptional circumstances apply here. Taking everything into account I believe he could have referred any complaint about the quality of the car supplied by Moneybarn to us by 16 July 2024.

Account arrears

Like our Investigator, I understand the frustration Mr L must have felt with the fact that he had to pay for car repairs. But that frustration with Moneybarn did not permit him to unilaterally withhold one of his monthly payments. The monthly payments due were set out

in the credit agreement that he signed. And in doing so, he agreed to pay an agreed amount at set intervals.

When Mr L withheld the monthly payment for January 2024, it was right and proper that Moneybarn would contact its customer about that missed payment and the arrears that had accrued on the account. So, although it was Mr L's decision to withhold that payment, I can't see that Moneybarn's actions in making contact with him about the missing payment – whether he wanted it to do so or not – were unfair or unreasonable.

Taking everything into consideration, I do not uphold this complaint. I know that Mr L will be disappointed with the decision I've made, but I hope he, at least, understands the reasoning behind the conclusions that I've reached.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 23 July 2025.

Andrew Macnamara
Ombudsman