

The complaint

Mr O complains about Moneybarn No. 1 Limited trading as Moneybarn ("Moneybarn") as he feels they didn't do enough to support him when he got into financial difficulty on making payments to a conditional sale agreement taken out with them.

What happened

Mr O referred a complaint to us along with his representative. As the complainant is Mr O, for ease, I have addressed my decision to him only throughout, when referring to what he and his representative have told us.

In May 2022, Mr O acquired a used van using a conditional sale agreement with Moneybarn. The van was around four years old, the cash price of the van recorded on the agreement was £18,000, the agreement was for 60 months, made up of 59 regular, monthly repayments of £506.67. The advance payment recorded on the agreement was £3,570. The mileage recorded on the agreement for the van was 87,140 miles.

Unfortunately, Mr O got into some financial difficulty and was unable to maintain payments in line with the agreement he signed with Moneybarn. This started in the early stages of the agreement being taken out with Moneybarn, and then again towards the end of 2023, going into 2024.

Mr O complained to Moneybarn about several aspects. Among other things, Mr O said Moneybarn:

- Gave him a scripted response in April 2024 to set up a payment plan when he acknowledged he was behind on making payments.
- Didn't allow him to communicate only by email and asked him to call instead.
- Didn't offer any help when he informed them of his financial difficulty.
- Added to his financial distress by informing him that a double payment might need to be made in a given month, if he chose to change his direct debit date.

In September 2024, Moneybarn issued their final response to Mr O, and explained they didn't uphold Mr O's complaint. In summary, they said:

- In April 2024, they needed to make Mr O aware of the status of his agreement and that they advised they needed Mr O to complete an affordability assessment with them so they could verify his eligibility for a payment plan, to address the arrears that had accrued.
- Later in April 2024, Mr O requested to be placed on a payment holiday break. But as payments were already overdue, they explained a payment break wasn't possible.
- Several extensions were given to Mr O where a "hold" was placed on his agreement and account; initially until the end of April 2024; then up to early May 2024; then to mid-May 2024; and then to mid-June 2024, to allow Mr O the time to complete an income and expenditure for a possible payment plan to be put in place.
- They sent several support links to assist Mr O with managing his funds better.

- They advised Mr O to contact their customer care team who might have been able to assist and consider whether there was the possibility of adjusting any payment plan to suit his circumstances.
- They explained to Mr O the parameters that needed to be satisfied if a payment date was amended, and why it could have led to two payments becoming due within a short amount of time. And they provided Mr O a link as to how his direct debit date could be changed online.

Later in the month, Moneybarn issued a Default Notice to Mr O where they explained he had an arrears balance of £2,026.68 and that he needed to repay in full the arrears before 13 October 2024. In October 2024, Moneybarn wrote to Mr O and explained they had terminated his agreement as he had breached the terms of it as described in the default notice which was sent to him.

Unhappy with Moneybarn's response and actions taken, Mr O referred his complaint to our service.

Our service didn't uphold Mr O's complaint. He explained that the core issue he needed to consider was whether Moneybarn acted fairly when asking Mr O to engage with them and complete an affordability assessment. And, in summary, he concluded Moneybarn had done so.

Mr O disagreed with the investigator's findings. As Mr O disagreed, the complaint was 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.

Having done so, I'm not upholding this complaint and I'll explain why below.

I'm aware I have summarised events and comments made by both parties very briefly, in less detail than has been provided, largely in my own words. No discourtesy is intended by this. In addition, if there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is a fair outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as an alternative to the courts.

Mr O says he wasn't treated fairly in general terms when he got into financial difficulty. Moneybarn had various responsibilities here, including those set out by the Financial Conduct Authority ("FCA") in the consumer credit handbook ("CONC").

CONC 7.3.4 states:

"A firm must treat customers in or approaching arrears or in default with forbearance and due consideration."

CONC 7.3.6 states:

"Where a customer is in default or in arrears difficulties, a firm should allow the customer reasonable time and opportunity to repay the debt."

Initially, I can see both parties were engaging about the account, missed payments and arrears. Moneybarn was giving time to Mr O to repay and appears to have been willing to set

up a repayment plan. But issues arose as, Mr O was unwilling to complete an affordability assessment.

I appreciate Mr O's frustrations in having to complete an affordability assessment. But I don't think this request from Moneybarn was unreasonable under the circumstances. I say this because, Moneybarn wouldn't have been able to assess Mr O's ability to repay any arrears accrued without an affordability assessment completed. And, they needed this completed to be approved for a payment plan. In any event, I'm satisfied Moneybarn gave Mr O several opportunities to complete an affordability assessment with them, and on most occasions, gave Mr O an extension to complete it.

Turning my attention now to how Mr O believes Moneybarn were robotic and didn't show any compassion to his financial circumstances. While I appreciate Mr O feels this way, I haven't reached the same conclusion from what I have seen. Moneybarn have a duty to inform Mr O the status of his account with them, and the actions that are required to bring his account back in line. And I can't see they have acted unfairly in their actions here, given the time they gave Mr O to make repayments to arrears, as well as the support they gave Mr O.

I have also considered what Mr O has said about Moneybarn refusing to communicate with him by email only. Moneybarn has provided their contact notes for this complaint. Throughout it, I can see that Moneybarn and Mr O have been in contact by both telephone and email on several occasions. So, I can't fairly say that Moneybarn had refused to speak to him by email. However, I can see that at times, Moneybarn advised for Mr O to speak to their customer care team who may be able to assist further, given his financial circumstances. I don't think this was unreasonable in the circumstances. I'm also mindful that Mr O could have asked a representative to speak to Moneybarn on his behalf (such as with his referral to our service) if he didn't wish to speak to Moneybarn directly.

I have also considered what Mr O has said about his experience of trying to change the date of his direct debit. Again, I don't think Moneybarn has acted unreasonably here and clearly explained the reasons why a second payment may be required within a 31-day cycle, if the payment date has changed.

My final decision

For the reasons I've explained, I don't uphold this complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 29 May 2025.

Ronesh Amin
Ombudsman