DRN-5366004

The complaint

Mrs A complains that Moneybarn No. 1 Limited hasn't dealt with the payments that she's made to it under a conditional sale agreement correctly and that its reported adverse information about her payments to the credit reference agencies.

What happened

A used car was supplied to Mrs A under a conditional; sale agreement with Moneybarn that she electronically signed in September 2023. The price of the car was £13,990 and Mrs A agreed to make 60 monthly payments of £354.72 to Moneybarn.

The first two payments were made correctly by direct debit for the October and November 2023 payments. Mrs A then contacted Moneybarn in December 2023 to change her payment date and she cancelled her direct debit so the payment for December 2023 wasn't paid. She complained to Moneybarn in January 2024 that her payment date hadn't been changed but it responded to her in March 2024 and said that the payment date had been changed. It also said that Mrs A was in breach of the terms of the agreement as she didn't have a direct debit set up and it had issued her with a direct debit mandate to sign and return so the direct debit could be reinstated but it hadn't received one.

Eleven further payments were then due from Mrs A for the period from January to November 2024 but Moneybarn only received nine payments from her. Mrs A complained to Moneybarn in September 2024 about issues on her account. It responded to her complaint in November 2024 but said that it couldn't agree that it had acted unfairly as it hadn't made any errors with Mrs A's payments. It also said that there was an arrears balance of £1,019.60 on Mrs A's account.

Mrs A 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, didn't recommend that it should be upheld. He said that he wasn't able to consider issues covered in Moneybarn's March 2024 final response letter. He also said that, after the payment made by Mrs A in July 2024, the arrears on her account were £310.16 and he hadn't seen any evidence that the payments in August and September 2024 were made into Moneybarn's account. He said that he thought that Moneybarn had reported missed payments correctly as it haven't received all of the payments due from Mrs A.

Mrs A didn't accept the investigator's recommendation and has asked for the complaint to be escalated so I've been asked to issue a decision on her complaint. She says, in summary and amongst other things, that all payments have been made to Moneybarn, there haven't been any missed payments and her banks have confirmed that there are no missed payments and that none have been made into holding accounts nor returned as unpaid.

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 A had agreed to make monthly payments of £354.72 to Moneybarn for the car to be supplied to her and the conditional sale agreement says: *"You must make all payments under the agreement by direct debit or any other payment method we allow you to use"*. Mrs A contacted Moneybarn in December 2023 to change her payment date and she cancelled her direct debit which meant that the payment for December 2023 wasn't paid. She complained to Moneybarn in January 2024 that her payment date hadn't been changed and it responded to her complaint in March 2024. Its response said:

> *"… you now have the right to refer the matter to the Financial Ombudsman Service free of charge if you wish — please note you must do so within six months of the date of this letter. If you do not refer your complaint in time, the Ombudsman will not have our permission to consider your complaint and will only be able to do so in very limited circumstances …".*

Mrs A didn't complain to this service until October 2024, more than six months after the date of Moneybarn's final response letter. Under the dispute resolution section of the Financial Conduct Authority's handbook of rules and guidance, this service can't consider a complaint if a consumer refers it to it more than six months after the date on which the respondent sent the complainant its final response, redress determination or summary resolution communication unless, in the view of the ombudsman, the failure to comply with the time limits was as a result of exceptional circumstances. Because of that, I'm unable to consider in this decision any issues that were dealt with by Moneybarn in its March 2024 final response letter.

I can see that Moneybarn did change Mrs A's payment date but Mrs A didn't set up another direct debit until about October 2024 and she made payments to Moneybarn by card payments and bank transfers. The investigator set out in table form the payments that were due from Mrs A and the payments that she made and he could see that there were arrears on her account. Mrs A says that all payments have been made to Moneybarn, there haven't been any missed payments and her banks have confirmed that there are no missed payments and that none have been made into holding accounts nor returned as unpaid, but I don't consider that to be consistent with the evidence that both she and Moneybarn have provided.

From the start of the agreement until November 2024, Mrs A should have made fourteen payments to Moneybarn but it says that it's only received eleven payments from her. In the table below I've set out the payments that were due from Mrs A against payments that were received from her. This may not by the same way that Moneybarn would deal with those payments but I hope that it will show to Mrs A that she hasn't made all of the payments to Moneybarn that she should have done.

Monthly payment	**Date of payments by Mrs A**	**Amount**	**Method**
October 2023	1 November 2023	£354.72	Direct debit
November 2023	1 December 2023	£354.72	Direct debit
December 2023	17 February 2024	£354.72	Card payment
January 2024	26 February 2024	£354.72	Bank transfer
February 2024	29 March 2024	£354.72	Card payment

March 2024	7 May 2024	£354.72	Card payment
April 2024	20 May 2024	£354.72	Card payment
May 2024	17 June 2024	£400	Card payment
June 2024	19 July 2024	£354	Bank transfer
July 2024	16 October 2024	£354.72	Direct debit
August 2024	16 November 2024	£354.72	Direct debit
September 2024			
October 2024			
November 2024			

After the payment made by Mrs A on 1 December 2023, no payment was made until 17 February 2024 and her account has remained at least a month in arrears since the December 2023 payment was missed. Mrs A has made payments to Moneybarn after November 2024, but I hope that Mrs A will be able to see from the table that she has missed payments that were due to Moneybarn.

Mrs A has provided evidence from one of her banks which she says show that she also made payments to Moneybarn of £450 in August 2024 and £408 in September 2024. There's no reference to Moneybarn or Mrs A's account number on the bank account statements and the entries include Mrs A's name and the car model name but no other information. Mrs A has been asked to provide evidence of the bank account to which those payments were made but she hasn't done so.

Moneybarn said in its November 2024 response to Mrs A:

> *"… after careful deliberation and review of all payments reported on bank records, the instalments for 15 August 2024 and 16 September 2024 cannot be allocated on our payment system. This means there is no indication that the money was allocated under the agreement. Our department has advised that you contact your bank to inquire about the payments, as none are reflected on our end".*

That bank has confirmed that a direct debit was claimed by Moneybarn on 1 January 2023 (although that should be 2024) and that a payment was sent to Moneybarn on 19 July 2024, but it hasn't provided any further comment on the August and September 2024 payments. Mrs A had cancelled her direct debit so the direct debit that was claimed by Moneybarn in January 2024 wouldn't have been paid and the payment that was made in July 2024 has been received by Moneybarn.

Having carefully considered all of the evidence that Mrs A and Moneybarn have provided, I consider it to be more likely than not that Mrs A hasn't made all of the payments to Moneybarn that were due under her conditional sale agreement. That has led to there being arrears on Mrs A's account and I'm not persuaded that there's enough evidence to show that the amount of the arrears is incorrect.

Moneybarn is required to report true and accurate information about Mrs A's payments to the credit reference agencies. I'm not persuaded that the information that Moneybarn has reported to the credit reference agencies about Mrs A's payments isn't true and accurate.

I'm not persuaded that there's enough evidence to show that Moneybarn has acted incorrectly in its dealings with Mrs A about the payments due from her under the conditional sale agreement. I find that it wouldn't be fair or reasonable in these circumstances for me to require Moneybarn to reduce or waive the arrears on Mrs A's account, to remove any of the adverse information that it's reported to the credit reference agencies about Mrs A's conditional sale agreement or to take any other action in response to her complaint.

My final decision

My decision is that I don't uphold Mrs A's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A to accept or reject my decision before 27 August 2025.

Jarrod Hastings
Ombudsman