

The complaint

Mr W complains about a car supplied to him using a conditional sale agreement taken out with Moneybarn No. 1 Limited ("Moneybarn").

What happened

In July 2022, Mr W acquired a used car using a conditional sale agreement with Moneybarn. The car was over ten years old, the cash price of the car recorded on the agreement was £4,115, the agreement was for 42 months, made up of 41 regular, monthly repayments of £155.68. The advance payment recorded on the agreement was £35. The mileage of the car was 78,022 miles.

Within a few months of acquiring the car, Mr W experienced issues with it. One of the issues was in relation to the timing belt and so complained to the supplying dealership and to Moneybarn. As Mr W was unable to resolve things with Moneybarn, he referred his complaint to our service.

Our service, on a separate complaint, issued a view in March 2023 where we upheld Mr W's complaint. The investigator directed Moneybarn to put things right, which among other things, were in relation to having the car repaired at no cost to Mr W as well as to refund him three monthly repayments made.

Moneybarn accepted the investigator's findings, and it was agreed that Mr W would instruct repairs to be carried out and Moneybarn would cover the costs.

Mr W was given a quote by a third-party garage, and it was booked in for repairs in September 2023. However, the garage unexpectedly stopped trading, and so Mr W took the car to another third-party garage, where he was given a significantly higher quote for the car to be repaired.

Moneybarn didn't think it was economical to have the car repaired and so Mr W said he agreed for Moneybarn to unwind the agreement and collect the car. Moneybarn also agreed to refund Mr W recovery costs he said he incurred, but they didn't agree to refund storage costs, which were incurred while the car was at the garage.

In January 2024, Moneybarn got back in touch with our service and said that Mr W needed to collect the car from the garage. In March 2024, a Default Notice was issued to Mr W and they went on to terminate the agreement. Moneybarn also reported their actions taken to Mr W's account to the relevant credit reference agencies.

Mr W complained to Moneybarn in April 2024 and in May 2024, Moneybarn gave Mr W their final response. Moneybarn explained that it was previously agreed that they would cover the cost of repairs, in addition to reimbursing several monthly instalments. They said these funds were paid to Mr W in good faith, without receiving evidence of the repairs carried out for the timing belt issues. However, they had been informed that the car had been abandoned, without repairs being completed to it. As a result of the car being abandoned, further charges, such as storage fees were incurred.

Moneybarn explained that due to the estimated cost for the repairs as well as their own estimation of the value of the car, it was uneconomical for them to recover the car. So, they explained that they no longer wished to hold an interest in the car, and so could not be held liable for any associated storage fees.

While Moneybarn said they didn't uphold Mr W's complaint, as a gesture of goodwill, they refunded a £125 charge applied to Mr W's agreement in May 2024, for an initial cancelled attempt to recover the car.

Unhappy with Moneybarn's response, Mr W referred his complaint to our service in June 2024.

Moneybarn confirmed to our service that, among other things, they had already paid Mr W £1,121.80 in relation to repairs. Part of this payment was for repairs already completed; and £788.35 of this payment was for repairs that were arranged to be carried out. Moneybarn also said they refunded £1,089.76 for monthly repayments made towards the agreement.

Our investigator found that Moneybarn needed to do more to put things right in relation to this complaint. The investigator explained that if Moneybarn had collected the car towards the end of 2023/beginning of 2024 as they agreed to, then storage fees wouldn't have continued to accrue as they did. And so thought Moneybarn should be responsible for any storage costs which were incurred from January 2024 onwards.

The investigator also thought that the agreement should be treated as unwound as opposed to the account being recorded as terminated and so thought adverse markers recorded against Mr W's credit file should also be removed. The investigator also thought Moneybarn should refund monthly repayments made from December 2024 (when they agreed to unwind the agreement) up until when it was wrongfully terminated in March 2024.

Moneybarn in part disagreed with the investigator's findings. They accepted that in December 2023, they did agree to unwind the agreement, but that they did so on the basis that Mr W would release the car into their possession. They said they were also informed that a previous payment of £1,121.80 to cover the cost of agreed repairs hadn't been carried out to their knowledge.

In January 2025, Mr W provided a receipt which he said was in relation to having the car recovered to his home.

Our investigator later responded and provided a further view. In summary, she gave more clarification in relation to her findings and directed Moneybarn to:

- Treat the agreement as unwound with nothing owing from December 2023.
- Remove any adverse information from Mr W's credit file, if any.
- Collect the car at no cost to Mr W.
- Refund Mr W repayments from December 2022 until August 2023.
- Refund Mr W's repayments made from December 2023 until March 2024, offsetting this amount with refunds already made for repairs.
- Refund Mr W £252 for recovery costs incurred.
- Refund Mr W further costs incurred of £270 for the car to be recovered to his home address.

Mr W accepted the investigator's findings. Moneybarn didn't fully agree with what the investigator said and didn't think any further payments should be made to Mr W. In

summary, they said they were willing to treat the agreement as unwound with nothing owing and amend Mr W's credit file to reflect the agreement as unwound. They also said they were willing to remove any adverse information from Mr W's credit file.

As Moneybarn 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 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 W complains about a car supplied to him under a conditional sale agreement. Entering into consumer credit contracts such as this is a regulated activity, so I'm satisfied I can consider Mr W's complaint about Moneybarn.

When considering what's fair and reasonable, I take into account relevant law and regulations. The Consumer Rights Act 2015 ("CRA") is relevant to this complaint. The CRA explains under a contract to supply goods, the supplier – Moneybarn here – has a responsibility to make sure goods are of satisfactory quality. Satisfactory quality is what a reasonable person would expect – taking into account any relevant factors.

I would consider relevant factors here, amongst others, to include the car's age, price, mileage and description. So, it's important to note that the car Mr W acquired was used, over ten years old, had been driven around 78,000 miles and cost £4,115. I think a reasonable person would accept that it would not be in the same condition as a new car and was likely to have some parts that are worn.

Normally, I would go on to consider whether the car was of satisfactory quality when it was supplied. And in order to do that, I would normally need to consider whether the car developed a fault. However, in this instance, I don't feel I need to. I say this because it isn't in dispute that the car developed a fault and that it was supplied to Mr W of unsatisfactory quality. This is because on a separate complaint, Moneybarn accepted this and agreed to put things right as directed by our investigator – in summary, this being for repairs to be carried out to the car.

However, since accepting the investigator's view to a separate complaint, things have progressed and a repair is no longer an option. Moneybarn agreed to unwind the agreement and to accept Mr W's right to reject the car as they don't believe it would be economical to pursue repairing it. The crux of this complaint lies with what else Moneybarn may need to do to put things right.

I'm mindful that the car has been unused and undriveable since around December 2022. And Mr W acquired another car for work purposes. So, considering the car was supplied of unsatisfactory quality, I think it is fair that Mr W is reimbursed for any payments made from December 2022 onwards, up until when the car was arranged to be repaired. So, Moneybarn should reimburse Mr W his monthly repayments from December 2022 to August

2023. I'm aware Moneybarn may have already refunded some of these payments here. So Moneybarn only need to refund those not made to date.

Moneybarn agreed to unwind the agreement in December 2023 but then terminated it in March 2024 as they believed the car had been abandoned. Following our investigator's view, Moneybarn has agreed to treat the agreement as unwound with nothing owing and amend Mr W's credit file to reflect the agreement as unwound. They also said they were willing to remove any adverse information from Mr W's credit file. Like our investigator, I also agree this is fair in the circumstances. From what I have seen, I don't think Mr W abandoned the car, but rather accepted Moneybarn's further offer they made in December 2023. I'm unsure why Moneybarn didn't collect the car as agreed in December 2023. But in any event, as Moneybarn has already accepted what they need to do to put things right here, I don't think I need to comment on it any further.

However, I do think Moneybarn needs to do more in terms of reimbursing Mr W. Moneybarn informed Mr W of their intention to unwind the agreement on 6 December 2023. This was agreed by Mr W on 20 December 2023. But as the car was never collected by Moneybarn (and the agreement later terminated in March 2024), significant storage fees were charged as the car was left at a third-party garage. I don't think Mr W should be held liable to pay storage fees from when he accepted the unwinding of the agreement on 20 December 2023 onwards. So, while I can't direct Moneybarn to pay a third-party directly, I would suggest Moneybarn get in contact with the third-party garage directly, to ensure Mr W isn't held liable for these costs.

I also think it is fair that Mr W is reimbursed monthly repayments from December 2023 until March 2024, if any, as he had agreed to the unwinding of the agreement at this point.

Moneybarn has explained they have already reimbursed Mr W some funds due to repairs which were going to be carried out, but didn't occur. These additional repairs were initially calculated at £788.35. In the circumstances I think it is fair that Moneybarn reduce the amount they owe here, against what they have already given to Mr W for repairs which didn't take place.

As this complaint couldn't be resolved at an early stage, Mr W incurred further costs in recovering the car to his home address from the third-party garage who was storing it. Mr W was charged £270 on 9 January 2025. I don't think it is fair that Mr W incurred this cost as I think the car should have been collected by Moneybarn much sooner. And I'm mindful that Moneybarn informed Mr W that he needed to collect the car from the garage. So, I think it is fair this amount is reimbursed by Moneybarn.

Moneybarn also agreed to reimburse Mr W previous recovery costs he incurred of £252 on 8 November 2023. If these have not been reimbursed already, then I think it is also fair for Moneybarn to do so. I say this because Mr W accepted Moneybarn's offer on the basis this amount would be refunded.

My final decision

For the reasons I've explained, I uphold this complaint and I instruct Moneybarn No. 1 Limited to put things right by doing the following:

- Treat the agreement as unwound, with nothing further to pay from December 2023.
- Amend and remove any adverse information from Mr W's credit file in relation to the agreement.
- Collect the car (if this has not been done already) at no further cost to Mr W.
- Reimburse Mr W monthly repayments from December 2022 until August 2023. *

- Reimburse Mr W monthly repayments from 20 December 2023 until when the agreement was terminated in March 2024. Moneybarn can reduce the amount owed by £788.35, as this amount has already been given to Mr W for repairs which weren't carried out. Moneybarn must also ensure Mr W is not held liable to pay the storage costs incurred with storing the car at a third-party garage from 20 December 2023, if any. *
- Reimburse Mr W for a £252 recovery cost payment he made on 8 November 2023. *
- Reimburse Mr W for a £270 recovery cost payment he made on 9 January 2025. *

* These amounts should have 8% simple yearly interest added from the time of payment to the time of reimbursement. If Moneybarn considers that it's required by HM Revenue & Customs to withhold income tax from the interest, it should tell Mr W how much it's taken off. It should also give Mr W a tax deduction certificate if they ask for one, so they can reclaim the tax from HM Revenue and Customs if appropriate.

If Moneybarn has already given compensation in relation to this specific complaint, the final amount should be less the amount already given.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 14 July 2025.

Ronesh Amin
Ombudsman