

## The complaint

Miss C complains that MONEYBARN NO.1 LIMITED (Moneybarn) lent to her irresponsibly.

## What happened

In June 2022, Miss C entered into a finance agreement with Moneybarn as shown below, to buy a car.

Date	Amount of credit	Term	Monthly payment	Total repayable
13 June 2022	£7,130.00	60 months	£237.07	£14,062.13

In February 2025, Miss C complained to Moneybarn with the help of a professional representative. In her complaint, Miss C said at the time of the lending Moneybarn failed to carry out a proper creditworthiness assessment and as a result lent to her unfairly. She thinks that if Moneybarn had completed proper checks, it would have known the agreement wasn't sustainable.

Moneybarn looked into the complaint and issued a final response letter saying it didn't think it had acted unfairly. It said it had confirmed the agreement was affordable by gathering information from Miss C and checking the information the credit reference agencies (CRA) held about her. It also accounted for Miss C's likely regular essential expenditure using data from the Office of National Statistics (ONS). It felt these checks were fair and didn't demonstrate the lending was unaffordable or unsustainable.

Miss C didn't accept Moneybarn's response, so she referred her complaint to our service, again with the help of a representative. One of our investigators looked into the case. Based on the evidence that was available, our investigator said he couldn't reasonably conclude that the lending was irresponsible, or that the relationship was unfair.

Miss C didn't accept what our investigator said and pointed to the information contained within her bank statements. So, as there was no agreement, the complaint has been 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 agree with the outcome the investigator reached for broadly the same reasons.

I think there are key questions I need to consider in order to decide what is fair and reasonable in this case:

- Did Moneybarn carry out reasonable and proportionate checks to satisfy itself that Miss C was able to sustainably repay the credit?

- If not, what would reasonable and proportionate checks have shown at the time?
- Did Moneybarn make a fair lending decision?
- Did Moneybarn act unfairly or unreasonably towards Miss C in some other way?

Moneybarn had to carry out reasonable and proportionate checks to satisfy itself that Miss C would be able to repay the credit sustainably. It's not just about Moneybarn assessing the likelihood of it being repaid, but it had to consider the impact of the repayments on her.

There is no set list of checks that it had to do, but it could take into account several different things such as the amount and length of the credit, the amount of the monthly repayments and the overall circumstances of the borrower.

Moneybarn has explained that it asked Miss C about her income and carried out a full credit search to get an understanding of Miss C's situation before it decided to lend to her. It's provided a copy of what it found and has said Miss C declared a monthly income of £1,213. Moneybarn verified Miss C's income with the CRA's and checked what other outstanding debt she had. It also assessed her essential expenditure using ONS data when assessing her creditworthiness.

The credit search showed Miss C had spent a total of £971 using revolving credit but she didn't have any other outstanding debt. She was maintaining the accounts well, with no current arrears and there were no bankruptcies, or IVA's recorded. There were some historic defaults, but the balance of these was reducing, and there was a historic County Court judgement (CCJ). However, all of these had been recorded more than three years before this application. Given the historic nature of the adverse information, it didn't prevent Moneybarn from lending, or prompt further checks, and I don't think this is unreasonable.

Moneybarn applied estimates for Miss C's regular living expenses using nationally recognised statistics based on national averages. This is an approach it's allowed to take under the relevant lending rules. However, where there is other information that indicates a customer might be struggling, we may expect checks in relation to expenditure to go further. Having carefully considered the information gathered by Moneybarn, I can't see it revealed any signs of current financial difficulties, or other information, that should have prompted it to do further or more detailed checks.

Moneybarn has provided the figures it used when accounting for Miss C's essential expenditure. I can see that once Miss C's current debt, essential expenditure, and the repayments to this agreement were accounted for, she was left with around £186 disposable income a month. So, I can't see that on the information available to Moneybarn the agreement appeared unaffordable. I also can't see evidence of any information revealed by the checks, that meant Moneybarn were required to do more to establish creditworthiness, such as reviewing bank statements.

Based on what I've seen, I'm persuaded the checks Moneybarn completed were reasonable and proportionate to the amount and type of credit it went on to approve. And I'm satisfied the decision to approve the lending was reasonable based on the information Moneybarn obtained about Miss C's circumstances. I'm very sorry to disappoint Miss C but overall, I'm not persuaded that Moneybarn created unfairness in its relationship with her as a result of its decision to lend.

I can see that after about five months; Miss C defaulted on the agreement after the car was written off or stolen. The insurance pay out didn't cover the amount that fell due under the agreement and Miss C was liable to pay the remaining balance. To help manage the situation Moneybarn accepted a repayment plan to support Miss C in repaying the sum outstanding under the agreement. And this is in line with what I would expect to see.

I've also considered whether the relationship might have been unfair under s.140A of the Consumer Credit Act 1974. But overall, it's not clear enough to me that Moneybarn created unfairness in its relationship with Miss C by lending to her irresponsibly, or in the way it handled the account under the credit agreement. And I haven't seen anything to suggest that s.140A or anything else would, given the facts of this complaint, lead to a different outcome here. I'm sorry to disappoint Miss C but for the reasons set out, I don't find that her relationship with Moneybarn was unfair, and I can't conclude Moneybarn treated Miss C unfairly in any other way based on what I've seen.

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 18 November 2025.

Charlotte Roberts  
**Ombudsman**