

The complaint

Miss R complains that Moneybarn No 1 Limited trading as Moneybarn gave her incorrect information regarding the amount required to settle her agreement.

What happened

Miss R was supplied with a car and entered into a finance agreement with Moneybarn.

The vehicle was involved in an accident and was deemed a total loss. An early settlement amount of £9,951.47 was provided to settle the agreement.

The insurance paid £5,633 on 6 February 2025, and a further £3,484.19 on 25 February 2025.

Miss R contacted Moneybarn on 6 March 2025. The agent provided her with a settlement figure of £4,171.40 including a rebate of £628.32 and informed her that there was a running balance of £5,633.00 on the agreement. Miss R told the agent that the insurance had already paid the funds to Moneybarn. The agent explained that the payment had not yet been allocated to the agreement.

Miss R contacted Moneybarn again on 14 March 2025 and was advised by an agent that a rebate of £833.28 had already been applied.

Miss R complained to Moneybarn. She said she was entitled to a refund of the rebates totalling £1461.60.

Moneybarn acknowledged that the agent had provided Miss R with incorrect information when she called but said there was no entitlement to a refund of £1461.60. It said it had generated an early settlement figure of £9118.19 and had received payments of £5,633.00 and £3,485.19 from the insurance company. It confirmed that a rebate of £833.28 had been applied to the agreement on 27 February 2025 which reflected on 6 March 2025, and the agreement was deemed paid up. Moneybarn said that when Miss H had spoken to the agent on 6 March 2025 the payments from the insurance company had already been successfully applied and the rebate had been applied. It apologised for the incorrect information provided by the agent and paid £100 compensation for the distress and inconvenience caused.

Miss R remained unhappy and brought her complaint to this service.

Our investigator didn't uphold the complaint. He said that whilst he agreed that Moneybarn had given Miss R incorrect information, there was no evidence that she'd overpaid the account or that she was entitled to a refund.

Miss R didn't agree so I've been asked to review the complaint.

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.

I know it will disappoint Miss R, but I agree with the investigator's opinion. I'll explain why.

Moneybarn has acknowledged that the agent provided Miss R with incorrect advice when she called to query the payments received from her insurance company. It provided information regarding the rebate which was incorrect.

A rebate is a refund of the interest that would otherwise have been payable under the agreement had the agreement not ended early. I can see from the information provided by Moneybarn that the rebate in Miss R's case was £833.28/ This was applied to the agreement on 27 February 2025.

The rebate – together with the sums received from the insurance company - settled the balance due under the agreement. The account wasn't overpaid so there is no refund due back to Miss R.

I appreciate that the information provided by Moneybarn caused confusion for Miss R. However, having reviewed the account, I'm satisfied that the sums received from the insurance company and the rebate have been correctly applied to the account and that no sums are due back to Miss R. So I'm not persuaded that there's a refund due to Miss R.

The incorrect information provided by Moneybarn caused confusion for Miss R. I think it's right that Moneybarn has recognised this and paid compensation. I'm satisfied that the compensation of £100 is fair and reasonable and in line with what this service would award.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss R to accept or reject my decision before 27 October 2025.

Emma Davy
Ombudsman