

The complaint

Mr B complains that Moneybarn No.1 Limited irresponsibly provided him with an unaffordable regulated conditional sale agreement to purchase a car.

What happened

In May 2019 Moneybarn provided Mr B with a conditional sale agreement for a car with a cash price of around £11,450. Mr B paid a deposit of around £1,920 and received finance of around £9,530. This credit agreement had a term of 60 months 59 instalments of around £300. The total repayable value, including deposit, interest and fees was around £19,560.

Mr B complained to Moneybarn in January 2025 about unaffordable lending, saying proportionate checks should have led to it identifying this agreement wasn't affordable for him. Moneybarn issued its final response in March 2025 in which it didn't uphold Mr B's complaint. Unhappy with Moneybarn's response, Mr B referred his complaint to our service.

One of our investigators reviewed the details of Mr B's complaint and didn't uphold it. They felt Moneybarn's checks weren't proportionate to the terms of lending being provided, and what it had identified about Mr B's finances. They went on to consider what Moneybarn would more likely have identified through proportionate checks, and concluded that it had made a fair lending decision when providing Mr B with this agreement.

Moneybarn didn't respond to our investigator's view; Mr B responded and disagreed. In summary, he maintained his position proportionate checks would have shown Moneybarn that this agreement wasn't affordable, and that it therefore made an unfair lending decision.

Mr B asked for an ombudsman's review, so 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.

The information in this case is well known to Mr B and Moneybarn, so I don't intend to repeat it in detail here. Instead, I've focused my decision on what I consider to be the key points of this complaint; so, while my decision may not cover all the points or touch on all the information that's been provided, I'd like to assure both parties I've carefully reviewed everything available to me. I don't mean to be discourteous to Mr B or Moneybarn by taking this approach, but this simply reflects the informal nature of our service.

We've set out our approach to complaints about irresponsible and unaffordable lending as well as the key rules, regulations and what we consider to be good industry practice on our website. Both Mr B and Moneybarn have been made aware of this approach within our investigator's view. I've taken this approach into account in deciding Mr B's case.

Having considered everything, I'm not upholding Mr B's complaint as I've decided this conditional sale credit agreement was provided fairly. I say this because:

- I don't consider the checks Moneybarn completed before providing this credit agreement were reasonable and proportionate, given the terms of credit being provided and that Mr B's credit file showed recent adverse information, including an IVA and a default.
- Had Moneybarn completed proportionate checks, I don't think it's likely these would have shown it was unfair to provide Mr B with this credit agreement. I say this based on reviewing Mr B's bank statements in the three months leading up to this lending, which allow me to understand what proportionate checks at the time would more likely than not have shown Moneybarn.
- These statements evidence Mr B's income, non-discretionary expenditure and regular commitments – what I would have expected Moneybarn to reasonably have taken into account through proportionate checks. On average, I'm satisfied Mr B was left with a reasonable level of monthly disposable income to sustainably repay this agreement.
- I don't think Moneybarn acted unfairly or unreasonably in any other way. I've seen it provided forbearance measures when Mr B made it aware he was unable to meet his contractual payments – which he told it was due to personal circumstances rather than financial difficulties. These included deferring payments and setting up a payment arrangement. Mr B didn't make Moneybarn aware of any concerns with the affordability of the agreement throughout the term, which he ultimately went on to settle early in December 2023.

This means I don't think Moneybarn did anything wrong when it provided this conditional sale credit agreement to Mr B in May 2019.

I've also considered whether the relationship might have been unfair under s.140A of the Consumer Credit Act 1974. However, for the reasons I've already given, I don't think Moneybarn lent irresponsibly to Mr B, or otherwise treated him unfairly. 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 acknowledge my decision here will likely be disappointing to Mr B. But for the reasons above, I'm not directing Moneybarn to take any further action in resolution of this complaint.

My final decision

My final decision is that I'm not upholding Mr B's complaint about Moneybarn No.1 Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 31 December 2025.

Richard Turner
Ombudsman