DRN-5765495

The complaint

Mr G complains that Moneybarn No. 1 Limited (Moneybarn) failed to tell him that he couldn't voluntarily terminate his finance agreement with them in July 2024.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

Mr G took receipt of a car in February 2021. He financed the deal through a conditional sale agreement with Moneybarn. The contract was terminated by Moneybarn in July 2023 as there were arrears on the account. In November 2023 Moneybarn obtained a County Court Judgment that allowed them to take receipt of the car.

Mr G complained to Moneybarn about several issues but when the complaint was referred to this service an ombudsman decided that as most of the issues had been dealt with by a court we wouldn't deal with them. The ombudsman decided this service would consider Mr G's complaint that he wasn't told that he couldn't voluntarily terminate his contract with Moneybarn in July 2024 when he asked to do so.

Our investigator didn't uphold Mr G's complaint but as Mr G was still dissatisfied his complaint has been referred to me, an ombudsman, to make a decision.

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 Mr G, but I'm not upholding this complaint. I'll explain why.

Where the information I've got is incomplete, unclear, or contradictory, as some of it is here, I have to base my decision on the balance of probabilities.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point, it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

Mr G acquired his car under a regulated consumer credit agreement and as a result our service is able to look into complaints about it.

It's not disputed that Mr G asked Moneybarn to allow him to voluntarily terminate his agreement with them in July 2024. I can understand his wish to do so because under voluntary termination his liability would have been more limited than it was under voluntary surrender. But his agreement had been terminated by Moneybarn more than a year earlier and there was, therefore, no agreement to voluntarily terminate.

In those circumstances, I don't think it was unfair of Moneybarn not to explain voluntary termination wasn't available because I can see that they did write to Mr G to set out the three ways in which it would be possible for the balance payable to be settled. They were, through a Full Settlement requiring a lump sum settlement; a Termination Settlement Figure that would require Mr G to sell the car to a dealership and for him to pay the shortfall balance, or through a Voluntary Surrender whereby Mr G would return the car to Moneybarn and they would sell it and use the proceeds to reduce the balance due from Mr G.

I don't, therefore, think it would be fair to ask Moneybarn to take any further action.

I can see that Mr G has been concerned about discrepancies on his credit file that he thinks may mean a default has been reported to his credit file three times. On the information I've seen I don't think that's likely. It seems there is (as I'd expect) just one default but that it's been correctly reported on each of three consecutive months.

My final decision

For the reasons I've given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 25 September 2025.

Phillip McMahon
Ombudsman