

The complaint

Mrs L complains that a conditional sale agreement with Moneybarn No. 1 Limited, under which a car was supplied to her, was unaffordable for her and that the lending was irresponsible. Mrs L is being represented by a legal adviser.

What happened

A used car was supplied to Mrs L under a conditional sale agreement with Moneybarn that she signed in March 2016. The price of the car was £5,950, Mrs L made an advance payment of £1,000 and she agreed to make 59 monthly payments of £154.44 to Moneybarn. The conditional sale agreement was settled in April 2019 and Mrs L's representative complained to Moneybarn in February 2025 about the commission that Moneybarn had paid to the dealer and about the lending.

It said that Moneybarn's decision to provide credit to Mrs L was irresponsible, the advancement of credit was unfair and Moneybarn had failed to carry out its duties in assessing the creditworthiness and affordability of the credit to be advanced. Moneybarn said that it was satisfied that the finance provided was assessed fairly and the amount offered to Mrs L was affordable. The complaint was then referred to this service. Mrs L's complaint about the commission that Moneybarn paid to the dealer is being dealt with as a separate complaint and this complaint only concerns the lending.

This complaint was looked at by one of this service's investigators who said that Mrs L had complained within six years of the credit agreement ending, so the complaint about the fairness of the relationship between Moneybarn and Mrs L arising out of the credit agreement was one that this service could look at. Having considered everything, he didn't recommend that that complaint should be upheld. He didn't think that Moneybarn had evidenced that it completed reasonable and proportionate checks before providing Mrs L with the agreement, but he said that there wasn't sufficient evidence to show that Moneybarn made an unfair decision to lend.

Mrs L hasn't accepted the investigator's recommendation and her representative has requested that an ombudsman reviews Mrs L's complaint. It has provided a copy of Mrs L's credit report, but says that it hasn't received from Mrs L copies of her bank statements.

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.

Mrs L applied to Moneybarn for credit to pay for a car to be supplied to her and she signed the conditional sale agreement in March 2016. Moneybarn says that the conditional sale agreement was settled in April 2019 and Mrs L's complaint was referred to this service in March 2025, so less than six years after the credit agreement ended. I agree with the investigator that this service is able to consider Mrs L's complaint about the fairness of her relationship with Moneybarn arising from the conditional sale agreement under section 140A of the Consumer Credit Act 1974.

Moneybarn says that it verified Mrs L's monthly income of £1,873.02 by reviewing the payslips that she provided, it conducted a full credit search and made reasonable considerations for her existing expenses and accounted for appropriate non-discretionary expenditure before calculating her monthly repayment. Moneybarn says that it hasn't retained full details of the data obtained during the credit check but has provided a summary of the data that it saw when it decided to lend.

Moneybarn was required to make reasonable and proportionate checks to ensure that any credit to be provided to Mrs L was sustainably affordable for her, before entering into the conditional sale agreement. As Moneybarn has only been able to provide a summary of the data that it saw, I'm not persuaded that it has shown that it completed reasonable and proportionate checks before providing the credit to Mrs L. I've therefore considered what it's likely that Moneybarn would have discovered if it had made reasonable and proportionate checks.

Mrs L's representative says that Mrs L had entered into an individual voluntary arrangement, so the investigator asked for evidence of that and for copies of Mrs L's credit report and her bank statements for the three months prior to entering into the conditional sale agreement. A copy of Mrs L's credit report from August 2025 has been provided, but none of the other requested information has been provided. The credit report contains information about Mrs L's financial situation in August 2025 which isn't relevant to Moneybarn's decision to lend that was made in March 2016.

As neither Mrs L nor her representative has provided the requested information about Mrs L's financial situation at the time of, and in the three months prior to, entering into the conditional sale agreement, I'm not persuaded that there's enough evidence to show that the conditional sale agreement wasn't affordable for Mrs L at that time or that Moneybarn made an unfair decision to provide credit to Mrs L. The conditional sale agreement has been settled and I'm also not persuaded that there's enough evidence to show that Moneybarn's relationship with Mrs L was unfair under section 140A, or that it acted unfairly or unreasonably in some other way. I find that it wouldn't be fair or reasonable in these circumstances for me to require Moneybarn to refund to Mrs L any of the interest that she paid to it under the conditional sale agreement, to pay her any compensation or to take any other action in response to her complaint.

My final decision

My decision is that I don't uphold Mrs L's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs L to accept or reject my decision before 11 December 2025.

Jarrold Hastings
Ombudsman