

The complaint

Mr B is unhappy that in returning a car supplied to him under a conditional sale agreement with Moneybarn No. 1 Limited (Moneybarn) was subject to unfair deductions.

When I refer to what Mr B has said and what Moneybarn have said, it should also be taken to include things said on their behalf.

What happened

On 9 February 2023 Mr B was supplied with a car via a conditional sale agreement with Moneybarn. The car was first registered in February 2011 and had travelled around 100,400 miles at the time of supply. The price of the car was £12,794 and Mr B paid a deposit of £1,910.89 followed by 35 monthly payments of £465.73.

In late 2024 Mr B looked to end the agreement and was offered a range of options. Mr B chose to hand the car back and was given an estimate based on the resale value of the car and outstanding credit that he would need to pay £4,851.14 to settle the finance. In the end Mr B had to pay £7,549.44 as due to damage and faults the car did not achieve the original estimated sale value. As Mr B was not happy, he complained to Moneybarn.

On 3 April 2025 Moneybarn issued their final response. They pointed out that the inspection report showed that the car was damaged and there were faults with the car. This meant that the car was sold for £1,900, leaving a balance of £7549.44. The original estimate was purely an estimate, and they had pointed out to Mr B in a letter dated 3 March 2025 that the resale value was likely to be lower. For this reason, they did not uphold Mr B's complaint. As Mr B wasn't happy, he complained to us.

On 30 July 2025 our investigator issued their view. They did not uphold Mr B's complaint. They pointed out that the only charge applied by Moneybarn to Mr B was the £59 selling fee and no other charges were applied. The difference in the original estimate and what Mr B had to pay was simply down to the selling price obtained for the car.

Mr B didn't accept the investigator's view and felt that he was being charged for damage, and this had significantly impacted on the amount he had to pay. He also stated that he hadn't damaged the car and that it had happened after collection, so he was being expected to pay for things that weren't his fault. Although he did accept the driver's side damage and scuff marks on the alloy wheels were there when collected.

On 27 August 2025 our investigator issued another view but still did not uphold the complaint. They stated that the collection record was not sufficient evidence and was simply a quick visual check, it was the more detailed inspection carried out that provided a more substantial view of the condition of the car.

As Mr B still did not agree it has been passed to me to consider.

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.

In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and (if appropriate) what I consider was good industry practice at the time.

Mr B was supplied with a vehicle under a conditional agreement. This is a regulated consumer credit agreement which means we are able to investigate complaints about it.

If I feel that Moneybarn have acted unfairly, applied charges to Mr B that they shouldn't have or otherwise misled Mr B as to the amount he would have to pay to settle the account then it would be fair and reasonable to ask Moneybarn to put things right.

There is a number of communications between Mr B and Moneybarn and I will summarise the key ones below.

A letter dated 17 December 2024 that set out the options for ending the agreement and one of those was a hand back where Moneybarn would sell the car and take the amount sold for off the outstanding balance, leaving £4,851.14 to be paid. The letter made it clear that they've assumed that the car is in a reasonable condition but if this isn't the case then the amount owed could be significantly higher.

A letter dated 20 December 2024 that set out the hand back option and an estimate of £4,851.14. It also made it clear that this was an estimate based on certain assumptions, and a final figure would be confirmed once the car had been returned and inspected.

The collection report from 9 January 2025 shows damage to the alloy wheels and accident damage to the side. Photographs taken at the time also show a missing parcel shelf.

A condition report dated 20 January 2025 that shows a number of faults with the car.

Letter from Moneybarn to Mr B dated 3 March 2025 that shows the body work (£3,309.21) and mechanical (£1,000) repairs required to the car would reduce the resale value of the car to between £1,500 to £2,000 and would therefore mean that the balance would be between £7,890.44 and £7,309.44.

Final settlement figure provided to Mr B dated 13 March 2025 that showed the final amount owing after the sale being £7,549.44.

The first thing to note is that it is clear that the only charge that Moneybarn have made is the £59 selling fee.

In terms of setting out Mr B's options to terminate the finance agreement the letter dated 17 December 2024 is clear as to what Mr B's options are and gave Mr B choices in line with his contractual and statutory rights and obligations. So, in that part of the process Moneybarn have been fair and transparent. They were also clear that the figures given for the hand back option were only an estimate based on assumptions around the condition of the car and a final figure would be confirmed once the car was returned and examined. A new estimate was sent to Mr B on the 3 March 2025 based on the lower resale value of the car and the final settlement was in line with this new estimate. So again I feel that Moneybarn have been fair and transparent.

Mr B claims that the damage was caused after the car was collected and points to the collection receipt as evidence. The collection receipt is a quick visual assessment of the car and not a full inspection. The collection receipt does highlight damage. A fuller inspection carried out shortly after collection shows further damage to the bumper and mechanical issues. Given this evidence it is reasonable to conclude that, on the balance of probabilities, the condition of the car on 20 January 2025 was the same as the condition that the car was in when collected on 9 January 2025. For this reason I believe that Moneybarn have acted fairly and I do not uphold this complaint.

My final decision

My final decision is that I do not uphold this case

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 15 December 2025.

Leon Livermore
Ombudsman