

The complaint

Mr S complains about how Moneybarn No.1 Limited (“Moneybarn”) treated him during his conditional sale agreement with them.

What happened

Both parties are familiar with the background of this complaint so I will only summarise what happened briefly here.

In October 2022, Mr S entered into a conditional sale agreement with Moneybarn to acquire a pick-up truck (“truck”). The agreement was for 60 months with contracted monthly repayments of £526.34. The cash price of the truck was £14,990.

Mr S experienced a few changes in his circumstances towards the end of 2022, and at various points throughout 2023, and struggled to maintain his contracted monthly repayments at times, and some were missed. At other times, he spoke to Moneybarn and agreed repayment plans to try and reduce the arrears that had built up but, ultimately, Mr S decided he could no longer afford the truck.

He spoke to Moneybarn about his options in April 2024 and, having considered everything, he decided to voluntarily terminate (“VT”) the agreement and hand Moneybarn the truck back. Having done so, he was provided with an invoice for an outstanding balance of £8,709.51 as he hadn’t paid at least 50% of the total amount payable under the agreement.

Mr S complained to Moneybarn about this but they didn’t uphold his complaint. They said they had treated him fairly throughout the agreement when he had asked for their help, and they didn’t think they could have done anything differently prior to Mr S choosing to VT the agreement.

Unhappy with this, Mr S brought his complaint to our service. Our investigator didn’t uphold it. She said that she was satisfied Moneybarn had acted in accordance with the regulations placed on them for a consumer experiencing financial difficulties, and that several attempts had been made to help Mr S reduce the arrears prior to the VT of the agreement. She urged Mr S to speak to Moneybarn, and she would expect Moneybarn to treat Mr S with due consideration and forbearance and to try and work with Mr S to come up with a sustainable and affordable repayment plan for the outstanding balance.

Mr S didn’t agree. He felt Moneybarn should have done more, and he wants Moneybarn to write off the outstanding balance.

As Mr S didn’t accept, 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.

When deciding what is fair and reasonable, I'm required to take into account: relevant law and regulations, relevant regulatory rules, guidance and standards and codes of practice.

As the conditional sale agreement entered by Mr S is a regulated consumer credit agreement this service is able to consider complaints relating to it.

I'm sorry to hear about the issues Mr S has experienced. Our investigator has already provided a comprehensive view of Mr S's complaint. And, having considered everything provided by both parties, I have to say I agree with our investigator. I'm satisfied Moneybarn have treated Mr S fairly throughout the duration of his agreement. I'll explain why.

Mr S began experiencing difficulties in making his contracted payments towards the end of 2022, and Moneybarn agreed a reduced payment plan at this point, although the first payment was missed by Mr S. Payments were then taken as scheduled for a few months, but Mr S missed a payment in July 2023. Moneybarn asked him to complete an income and expenditure form so they could accurately assess his affordability to repay the loan, and following that a new payment plan was set up, but the first payment under the new plan was missed by Mr S.

Mr S was able to make his payments as contracted for the next few months, apart from October 2023, along with some overpayments following a review of a new income and expenditure form by Moneybarn, but his account was in arrears by £1,077.58 in January 2024. Mr S asked Moneybarn for a reduced payment plan at this point, but they refused his request as he had a payment scheduled, and he would need to wait for that to come back from his bank and complete a new income and expenditure form before any new arrangement could be considered.

Moneybarn were contacted by a financial help organisation in March 2024, on behalf of Mr S, and they gave him breathing space on the agreement for two months. However, a month later Mr S told Moneybarn he could no longer afford the truck and he wanted to exit the agreement. Moneybarn explained all the options Mr S had to exit the agreement, and he chose to VT it. Once this process was complete, Mr S hadn't paid at least 50% of the total amount payable under the agreement, as explained on the early termination part of the agreement, and Moneybarn sent him an invoice for the outstanding balance of £8,709.51.

Moneybarn are expected to treat Mr S with due consideration and forbearance if he is in financial difficulties or is in default on his account and I'm satisfied they've done this. Things they need to consider – amongst others – are temporary payment plans, allowing deferment of payments or arrears or accepting reduced payments for a reasonable amount of time. And, at the time Ms S told Moneybarn he could no longer afford the truck, they explained all the options available to him to try and reduce the arrears he would be responsible for. They explained the early settlement process, the voluntary settlement process, and the VT process, so Mr S could choose the option that best suited his situation. Moneybarn have also shown that multiple repayment plans were put in place, along with pauses to Mr S's monthly repayments, and I'm satisfied they've treated him fairly by doing this.

I know this decision will come as a disappointment to Mr S, but I'm satisfied Moneybarn have treated him reasonably throughout the duration of the agreement, and they explained the options available to him when he wanted to exit it. If Mr S is struggling to pay the outstanding balance then I would urge him to speak with Moneybarn, and I would expect Moneybarn to treat Mr S with due consideration and forbearance to arrange a suitable and affordable repayment plan.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 12 January 2026.

Kevin Parmenter
Ombudsman