

The complaint

Mr J complains that Moneybarn No.1 Limited (Moneybarn) lent to him irresponsibly.

What happened

Mr J took out a motor finance agreement for £4,000 over 42 months with Moneybarn, in June 2017. The monthly repayments were £182.69, and Mr J settled the agreement in October 2020.

In February 2025, Mr J complained to Moneybarn, with the help of a professional representative, saying it had treated him unfairly by lending to him irresponsibly. Mr J said he needed the car for getting to and from work and to accommodate his family. He's said that a while before taking out the agreement, he had been made redundant and fell into some financial difficulties. By the time of this lending decision, he says he'd caught back up with things. But Mr J thinks that if Moneybarn had completed proper checks, it would have known further credit wouldn't be suitable for him.

Moneybarn considered Mr J's complaint but said it didn't think it had acted unfairly in lending to him. It said it had completed checks at the time and these demonstrated that he could afford the lending.

Mr J didn't accept what Moneybarn said and, again with the help of a representative, referred his complaint to our service and one of our investigators looked into it.

Our investigator explained why he didn't think the complaint had been brought too late under the rules set out by the Financial Conduct Authority (FCA), and he considered the merits of the complaint. But he didn't think Moneybarn had acted unfairly based on the information available.

Mr J didn't accept what our investigator said, so he asked for a second opinion. As there was no agreement, the complaint has been passed to me for 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.

Having done so, I've reached the same outcome as the investigator for broadly the same reasons.

There are time limits for referring a complaint to the Financial Ombudsman Service, and so our investigator explained why he didn't, as a starting point, think we could look at a complaint about the lending decisions that happened more than six years before the complaint was made. But he also explained why it was reasonable to interpret the complaint as being about an unfair relationship as described in Section 140A of the Consumer Credit Act 1974 (s.140), and why this complaint about an allegedly unfair lending relationship had been referred to us in time.

For the avoidance of doubt, I agree with our investigator that I have the power to look at the complaint on this basis. I think this complaint can reasonably be considered as being about an unfair relationship as Mr J says the lending given to him was unaffordable. This may have made the relationship unfair as he's said he had to pay more than he could afford and was unable to maintain payments to the agreement. I acknowledge Moneybarn may not agree we can look at parts of this complaint, but given the outcome I have reached, I don't intend to comment on this further.

In deciding what is fair and reasonable I am required to take relevant law into account. Because Mr J's complaint can be reasonably interpreted as being about the fairness of his relationship with Moneybarn, relevant law in this case includes s.140A, s.140B and s.140C of the Consumer Credit Act 1974.

S.140A says that a court may make an order under s.140B if it determines that the relationship between the creditor (Moneybarn) and the debtor (Mr J), arising out of a credit agreement is unfair to the debtor because of one or more of the following, having regard to all matters it thinks relevant, including:

- any of the terms of the agreement;
- the way in which the creditor has exercised or enforced any of his rights under the agreement;
- any other thing done or not done by or on behalf of the creditor.

Case law shows that a court assesses whether a relationship is unfair at the date of the hearing, or if the credit relationship ended before then, at the date it ended. That assessment has to be performed having regard to the whole history of the relationship.

S.140B sets out the types of orders a court can make where a credit relationship is found to be unfair – these are wide powers, including reducing the amount owed, requiring a refund, or to do or not do any particular thing.

Given what Mr J has complained about, I need to consider whether Moneybarn's decision to lend to him, or its later action or inaction, created unfairness in the relationship between him and Moneybarn such that it ought to have acted to put right the unfairness – and if so whether it did enough to remove that unfairness. Mr J's relationship with Moneybarn is therefore likely to be unfair if it didn't carry out proportionate affordability checks and doing so would have revealed its lending to be irresponsible or unaffordable, and it didn't then remove the unfairness this created somehow.

Having considered everything provided by both parties, I'm not upholding Mr J's complaint. I'll explain my reasoning below:

We've set out our general approach to complaints about unaffordable or irresponsible lending on our website, and I've taken this into account in deciding Mr J's case.

I've decided the credit was provided fairly because:

- I don't think the checks Moneybarn did before providing the credit were reasonable and proportionate given the credit limit it offered and what it knew about Mr J's financial situation. I think the recent default meant it should have used Mr J's statements rather than estimates to establish what his financial situation was.
- If Moneybarn had done proportionate checks, I don't think it's likely these would have

shown it was unfair to provide the credit to Mr J.

- Based on the information contained within the statements Mr J provided to Moneybarn, there was nothing to suggest that Mr J was likely to be unable to sustainably repay what he was being lent.
- Mr J has argued that he regularly transferred money to another account and so it would have been reasonable for these statements to be reviewed too. However, he's been unable to provide copies of these statements from the time of the lending. So, even if I agreed Moneybarn needed to see these statements, as they can't be provided, I don't have enough evidence to fairly say he was likely to be unable to sustainably repay what he was being lent.
- I can see Mr J ran into financial difficulties in 2020, but looking at what happened I haven't seen anything to persuade me Moneybarn treated Mr J unfairly at that point, or in any other way at any other time.

This means I don't think Moneybarn did anything wrong when it provided the lending to Mr J.

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 J 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.

Overall, and based on the available evidence I'm not persuaded that Moneybarn has acted unfairly in this case. It's not clear enough to me that Moneybarn created unfairness in its relationship with Mr J by lending to him irresponsibly and I don't think Moneybarn treated Mr J unfairly in any other way either based on what I've seen.

I know this isn't the outcome Mr J hoped for. But for the reasons above, I'm not asking Moneybarn to do anything to put things right.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 2 January 2026.

Charlotte Roberts
Ombudsman