

The complaint

Ms C complains that Moneybarn No.1 Limited irresponsibly provided her with an unaffordable regulated conditional sale agreement to purchase a car.

Ms C's complaint has been brought by a professional representative, but for ease I've referred to all submissions as though they are her own.

What happened

In March 2021 Moneybarn provided Ms C with a conditional sale agreement for a car with a cash price of £5,050. Ms C paid a deposit of £400 and received finance of 4,650. This credit agreement had a term of 60 months with 59 instalments of around £155. The total repayable value, including the deposit and interest, was around £9,520.

Ms C complained to Moneybarn in December 2024 about irresponsible lending. She said it hadn't completed proportionate checks, and that had it done so it would have identified this agreement wasn't affordable for her. Moneybarn issued its final response in March 2025 in which it didn't uphold Ms C's complaint. Unhappy with Moneybarn's response, Ms C referred her complaint to our service.

One of our investigators reviewed the details and didn't uphold the complaint. They didn't consider Moneybarn's checks were proportionate to the terms of lending being provided, and what it had identified about Ms C's financial situation. As such, they went on to consider what Moneybarn would more likely have identified through proportionate checks, and they concluded that Moneybarn would still have reasonably provided Ms C with this credit agreement.

Moneybarn didn't respond to our investigator's view; Ms C responded and disagreed. In summary, she didn't agree with our investigator's calculations following an income and expenditure assessment of her bank statements. Ms C maintained her position that proportionate checks would have shown Moneybarn that this agreement wasn't affordable, and that it therefore made an unfair lending decision.

Ms C asked for an ombudsman's review, so 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.

The information in this case is well known to Ms C and Moneybarn, so I don't intend to repeat it in detail here. Instead, I've focused my decision on what I consider to be the key points of this complaint; so, while my decision may not cover all the points or touch on all the information that's been provided, I'd like to assure both parties I've carefully reviewed everything available to me, including the submissions following our investigator's views. I don't mean to be discourteous to Ms C or Moneybarn by taking this approach, but this simply reflects the informal nature of our service.

We've set out our approach to complaints about irresponsible and unaffordable lending as well as the key rules, regulations and what we consider to be good industry practice on our website. And both Ms C and Moneybarn have been made aware of this approach within our investigator's view. I've taken this approach into account in deciding Ms C's case.

Having considered everything, I'm not upholding Ms C's complaint as I've decided this conditional sale agreement was provided fairly. I say this because:

- I don't consider the checks Moneybarn completed before providing this credit agreement to have been reasonable and proportionate, given the terms of credit being provided and that it isn't able to provide us with the data sitting behind its credit check.
- Had Moneybarn completed proportionate checks, I don't think it's likely these would have shown it was unfair to provide Ms C with this credit agreement. I say this based on reviewing three months of Ms C's bank statements in the lead up to this lending, which I consider in the absence of any other contradictory evidence allows me to understand what proportionate checks at the time would more likely than not have shown Moneybarn.
- These statements evidence income – I've considered salary, benefits and regular credits from an individual. Ms C's non-discretionary expenditure and regular payments, including to existing credit commitments, is also evidenced. Given what I would have expected Moneybarn to reasonably have taken into account through proportionate checks, I'm satisfied the statements show Ms C was left with a reasonable level of monthly disposable income to sustainably repay this agreement, as well as associated costs with running a car.
- I don't think Moneybarn acted unfairly or unreasonably in any other way. Ms C has largely repaid the agreement in line with its terms. I've seen she missed a payment in July 2021 – but that the account was brought up to date within a few days. Ms C didn't make Moneybarn aware of any concerns with the affordability of the agreement until she raised her complaint in December 2024.

This means I don't think Moneybarn did anything wrong when it provided this conditional sale agreement to Ms C in March 2021.

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 Ms C, or otherwise treated her 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.

I acknowledge my decision will likely be disappointing to Ms C. But for the reasons above, I'm not directing Moneybarn to take any further action in resolution of this complaint.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms C to accept or reject my decision before 31 December 2025.

Richard Turner
Ombudsman