

The complaint

Mr F complains that a conditional sale agreement with Moneybarn No. 1 Limited, under which a car was supplied to him, was unaffordable and that it provided the credit to him irresponsibly.

What happened

A used car was supplied to Mr F under a conditional sale agreement with Moneybarn that he electronically signed in September 2023. The price of the car was £9,245, Mr F made an advance payment of £300 and he agreed to make 60 monthly payments of £233.39 to Moneybarn. Mr F didn't make all of those payments when they became due, so Moneybarn terminated the conditional sale agreement in June 2024 and the car was repossessed and sold at auction.

Mr F complained to Moneybarn about the conditional sale agreement in August 2025, but it didn't uphold his complaint. It said that it believed that its decision to lend to Mr F was assessed fairly, accurately and in line with its procedures for the amount of credit it approved, and it was satisfied that its lending decision wasn't irresponsible. Mr F wasn't satisfied with its response, so referred his complaint to this service.

Mr F's complaint was looked at by one of this service's investigators who, having considered everything, didn't recommend that it should be upheld. He was satisfied that the checks completed by Moneybarn were reasonable and proportionate for the amount of credit being offered and he didn't think that it acted unfairly in approving the credit.

Mr F rejected the investigator's recommendation and asked that this case be referred to an ombudsman for a final decision. He says, in summary, that: his disposable income has been calculated incorrectly; he had £4,625 in revolving credit and a default on his credit file; and Moneybarn treated him unfairly when he fell behind with his payments, repossessed and sold the car and recorded a default on his credit file.

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.

Mr F applied to Moneybarn for credit to pay for a used car to be supplied to him in September 2023 and it says that he declared that his monthly income was £2,000. Mr F provided copies of some of his weekly pay slips and Moneybarn used them to calculate that his net average monthly income was £1,750.58. Moneybarn also made a search of Mr F's credit file and completed an affordability assessment using the information that it had obtained and data from the Office for National Statistics.

Moneybarn was required to make reasonable and proportionate checks to ensure that any credit to be provided to Mr F was sustainably affordable for him before it entered into the conditional sale agreement. Moneybarn had obtained copies of Mr F's payslips to verify his income, if had looked at his credit file and it had conducted an affordability assessment. I

consider that those were reasonable and proportionate checks in the circumstances of the credit for which Mr F had applied. I don't consider that Moneybarn was required to obtain a more detailed understanding of Mr F's financial situation before providing the credit to him.

The reasonable and proportionate checks that Moneybarn had made showed that he had existing credit of £4,625, an outstanding county court judgment against him and a defaulted account. Moneybarn says that it specialises in providing vehicle finance for customers who may not be able to obtain it from banks and other mainstream lenders because of their credit history. I don't consider that the information on Mr F's credit file should have prevented it from providing him with credit to pay for a car to be supplied to him.

The affordability assessment that Moneybarn completed included estimates of his total living costs of £1,281.60 based on data from the Office for National Statistics, a £50 buffer and £27 for his existing credit commitments. Mr F says that £27 is implausibly low for his borrowing of £4,625, but Moneybarn used the information that was on his credit file and I consider that it was fair and reasonable for it to do so.

The affordability assessment showed that Mr F had a monthly disposable income of £391.98, which included a buffer of £50, so Moneybarn concluded that Mr F could sustainably afford to make a monthly payment of £233.39 for the car to be supplied to him. I consider that Moneybarn made a fair lending decision, based on the reasonable and proportionate checks that it had made, and I'm not persuaded that it lent to Mr F irresponsibly.

I've also considered whether Moneybarn acted unfairly or unreasonably in some other way, including whether its relationship with Mr F might have been unfair under section 140A of the Consumer Credit Act 1974. Having done so, I've not seen anything that makes me think that that was likely to have been the case.

Mr F says that Moneybarn treated him unfairly when he fell behind with his payments, repossessed and sold the car and recorded a default on his credit file. Moneybarn's August 2025 final response letter to Mr F says that he'd complained to it that it was irresponsible of it to have provided him with credit because of his financial circumstances. He didn't complain to it about its response to his arrears, the price for which the car was sold at auction or the default that it had recorded on his credit file. As Mr F didn't complain to Moneybarn about those issues, it hasn't had an opportunity to respond to them, so I'm unable to consider a complaint about those issues in this decision. If Mr F wants to complain about those issues, he should complain about them to Moneybarn and then, if he's not satisfied with its response, he may be able to make a separate complaint to this service about those issues.

I've carefully considered all that Mr F has said and provided about his complaint, but I don't consider that Moneybarn did anything wrong when it provided the credit to him. I know that this isn't the outcome that Mr F hoped for, but I find that it wouldn't be fair or reasonable in these circumstances for me to require Moneybarn to take any action in response to his complaint. Mr F says that he can't repay the amount that he owes to Moneybarn. If he hasn't already done so, I suggest that Mr F explains his financial situation to Moneybarn. It's required to respond positively and sympathetically to any financial difficulties that he's experiencing.

My final decision

My decision is that I don't uphold Mr F's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 23 March 2026.

Jarrold Hastings
Ombudsman