

The complaint

Mr G complains that Secure Trust Bank Public Limited Company trading as Moneyway (Moneyway) lent to him irresponsibly.

What happened

Mr G took out a motor finance agreement for £9,000 over 52 months with Moneyway, in February 2017. The monthly repayments were £306.68 which were broadly kept up to date until it became necessary for the agreement to be voluntarily terminated in October 2020. At this point Moneyway took the car back and wrote off the outstanding balance.

In February 2025, Mr G complained to Moneyway, saying it had treated him unfairly by lending to him irresponsibly. Mr G thinks that if Moneyway had completed proper checks on his financial situation, it would have known the credit wouldn't be affordable for him. He's said this is demonstrated by the fact he couldn't complete the agreement and had to give the car back in 2020.

Moneyway considered Mr G's complaint but said he had complained outside the time limits allowed and so it wouldn't be investigating things further.

Mr G didn't accept what Moneyway said and 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 Moneyway had acted unfairly based on the information available.

Mr G 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.

Part way through the complaint Mr G appointed a representative, who has communicated with this service. However, for clarity I will only refer to Mr G in this complaint.

Mr G's representative has made a number of representations to this service, and I have considered these all carefully. However, I will focus my decision on what I consider to be particularly relevant to determining what is fair and reasonable here - this is not intended as a discourtesy to either party and reflects this service's informal nature and my role in resolving disputes informally.

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 G 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 Moneyway 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 G's complaint can be reasonably interpreted as being about the fairness of his relationship with Moneyway, 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 (Moneyway) and the debtor (Mr G), 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 G has complained about, I need to consider whether Moneyway's decision to lend to him, or its later action or inaction, created unfairness in the relationship between him and Moneyway such that it ought to have acted to put right the unfairness – and if so whether it did enough to remove that unfairness. Mr G's relationship with Moneyway 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 G'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 G's case.

Moneyway has been able to provide evidence that Mr G provided it with a payslip. But Moneyway doesn't appear to hold all the details of the checks it completed at the time of the lending. This isn't unreasonable given it has been more than 7 years since the agreement was entered into. But as the monthly repayments made up around 30% of Mr G's income, to be satisfied the checks were proportionate, I'd need to see more information. Given Moneyway hasn't been able to provide this, I can't be satisfied the checks were proportionate.

There are a number of ways Moneyway could have checked Mr G's income and essential expenditure including the use of credit file data and national statistics. But for the avoidance of doubt, I'm not making a finding here that Moneyway needed to see Mr G's statements to lend to him. Rather I think it needed to take reasonable steps to understand his income and either make a reasonable estimate of his regular essential expenditure or ask him for more information about this.

However, Mr G has been able to provide this service with copy bank statements from the time of the lending. In the absence of any other evidence, I think it's reasonable to rely on these to establish what Moneyway would likely have found had it estimated or asked Mr G about his finances.

Unfortunately, there is no information about Mr G's credit history around the time of the lending now available. But based on the information Mr G has shared and that is contained within the statements he's provided, there was nothing to suggest that he was likely to be unable to sustainably repay what he was being lent.

I say this because Mr G has shown his salary was around £22,000 a year at the time which gives a take home pay of around £1,500 a month. It's unclear what Moneyway knew at the time, but the payslip provided by Mr G didn't show this, so I would have expected Moneyway to look into this further to ensure affordability.

I can see from the statements for the three months prior to the lending Mr G's income fluctuated between around £1550 and £1050 with an average of around £1260 a month. Mr G had minimal committed expenditure and doesn't seem to be making payments to other credit providers. The regular essential costs he had were motoring costs, health insurance, and payments to a mobile phone provider. I can see Mr G had a subscription to an entertainment platform, but I don't think it's reasonable to prioritise this above the cost of a vehicle. Mr G said he paid £250 to his mother for rent and bills and so I have factored this in as it's reasonable for an individual to have some living costs. But I think it's worth noting there are no transfers of this nature showing on the statements, so I'm not satisfied that Mr G's rent was required to be paid at this level every month. Mr G's expenditure also fluctuated and was on average around £500 the lowest being around £265 and the highest it reached was around £650 including rent.

Given the fluctuations in pay and expenditure I think Mr G will have needed to manage his finances to meet his commitments. But on balance had Moneyway gathered more information about Mr G's income and essential expenditure, I think it's likely it would have found he had enough disposable income to meet the repayments and have a reasonable amount left each month.

This means if Moneyway had done proportionate checks, I think it's unlikely these would have shown it was unfair to provide the credit to Mr G.

Mr G has argued that he was only 24 at the time of the lending and has dyslexia, which made him a vulnerable customer. I don't doubt that Mr G's dyslexia has impacted him, however I've seen no evidence that Moneybarn was made aware of this. So, I can't fairly say

it should have treated Mr G any differently. I also haven't seen anything to suggest that Mr G was incapable of making financial decisions independently and managing his finances at the time of the lending. Or that Moneyway were made aware that this might be the case. So, again I can't fairly say Moneyway ought to have refused lending or done anything differently on this basis.

I can see Mr G ran into financial difficulties in 2020, but looking at what happened I haven't seen anything to persuade me Moneyway acted unfairly at this point or in any other way during the life of the agreement.

Overall, I think Moneyway's checks should have gone further. But based on the information available, I'm not satisfied the decision to approve the lending was unreasonable. So, I don't think Moneyway did anything wrong when it provided the lending to Mr G.

I've also considered whether the relationship might have been unfair under s.140A of the Consumer Credit Act 1974. But overall, it's not clear enough to me that Moneyway created unfairness in its relationship with Mr G by lending to him irresponsibly, or in the way it handled the account under the credit agreement. And 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'm very sorry to disappoint Mr G, but for the reasons set out, I don't find that Mr G's relationship with Moneyway was unfair, and I can't conclude it treated him unfairly in any other way based on what I've seen.

My final decision

My final decision is that I'm not upholding this complaint about Secure Trust Bank Public Limited Company trading as Moneyway.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 27 February 2026.

Charlotte Roberts
Ombudsman