

## The complaint

Mr D complains that MONEYBARN NO.1 LIMITED (“Moneybarn”) have wrongly marked his finance agreement as defaulted and wrongly repossessed the car from him.

## What happened

Mr D entered into a conditional sale agreement with Moneybarn in February 2020 for the supply of a car. In December 2021, as he was in arrears, Moneybarn issued a default notice, and when these arrears were not cleared nor a payment plan agreed, the account was terminated in January 2022.

In February 2022, Moneybarn repossessed the car and sold it to reduce the debt Mr D owed to them.

Mr D raised a complaint to Moneybarn in July 2025. He raised concerns that the default notice and termination notices that were issued were to the wrong address, making them invalid, and he didn’t receive them.

Moneybarn answered his complaint and issued their final response letter (FRL) later in July 2025. They upheld a small part, agreeing that they had got his address slightly wrong when he had contacted them to change it in 2021, but they didn’t uphold his concerns about a default being registered. They said that the first line and postcode of his address were correct, so they were satisfied it would have been delivered correctly. They also said that they had tried to contact him about the default on his mobile phone number without success.

When Mr D had raised the complaint, he had requested they remove the default from his credit file and for Moneybarn to accept an offer of £895 to settle the account. Moneybarn said they could not remove the default, as they must correctly report his account, but would accept his offer of £895 to settle the account by way of apology.

Mr D brought his complaint to our service after this. He also said that Moneybarn had unlawfully repossessed the car as he’d reached the threshold where they should have got a court order to repossess the car. It was investigated here and the investigator didn’t uphold it. They explained that our service couldn’t deem something unlawful, but they felt that the likelihood was that Mr D would have received the default and termination notices as the key parts of the address were correct, so they were satisfied the default was fair.

They also explained that the paperwork they’d seen showed that Mr D had voluntarily surrendered the car, meaning that Moneybarn didn’t need a court order to take the car back.

Mr D disagreed and asked for an Ombudsman to make a final decision. He said that the default notice is void in law, and the agent who repossessed the car had no right to be there, and he hadn’t signed the voluntary surrender paperwork as he’d seen a copy which just noted “socially distanced” and wasn’t signed by him.

## **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 overall conclusions as the investigator, and for broadly the same reasons. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome. Where evidence has been incomplete or contradictory, I've reached my view on the balance of probabilities – what I think is most likely to have happened given the available evidence and wider circumstances.

In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and (if appropriate) what I consider was good industry practice at the time. Mr D was supplied with a car under a conditional sale agreement. This is a regulated consumer credit agreement which means we're able to investigate complaints about it.

Firstly, to confirm what the Investigator already told Mr D, our service cannot decide something is unlawful, he would need to go to a court to make that argument. We are designed to be a quick and informal dispute resolution service, an alternative to the courts, focused on fairness, taking the relevant law and regulations into account.

As such, I don't think there is a lot I can add to what he's already been told. All parties including the investigator at our service have acknowledged that the address was slightly wrong on his file, but Moneybarn and the Investigator at our service felt that the default notice and termination notice would still most likely have been delivered correctly. I agree with this. The street name and house number and postcode were correct. So, from a fairness point of view, there is no evidence that these wouldn't have been delivered. Alongside this, having examined the evidence, I've seen none to suggest that Mr D was unhappy at the time or said he didn't know the agreement was being defaulted.

I'm not persuaded that the notices wouldn't have been delivered, so am satisfied they were fair. From a technical legal perspective, if Mr D wants to argue they aren't valid in law due to having the wrong address on them, he will need to take that to a court for them to decide.

Whilst I haven't seen that he raised the remaining issue about unlawful repossession with Moneybarn, Moneybarn confirmed their thoughts on it to our service when sending us their file of the complaint, and our Investigator answered it, so I think it's fair for me to respond to it on this basis.

Mr D argues that there was no lawful acceptance by him to voluntarily surrender the car. But the paperwork from the time shows three documents, two signed by him, saying that he volunteered to surrender the car. He appears to have handed over the keys for the car when an agent has arrived to collect it, and whilst I agree with him that there is one form about the condition of the car which doesn't have a signature and instead has a note saying "socially distanced", there are still two signed documents.

Moneybarn would potentially have needed a court order to repossess the car if Mr A didn't agree to them taking it to sell, to set the proceeds against his debt. But I'm satisfied that he did agree to this and voluntarily surrendered it for this purpose.

Alongside this, as this was a month after the termination of the agreement, I'm persuaded that this gives more weight to the argument that he knew about the default and termination and accepted it at the time. He would appear to have accepted his agreement had been

terminated due to arrears and given the car back. I can see that the auction proceeds of £5,500 were set against the debt he owed to reduce it considerably.

Having looked at the details of the default, I'm also satisfied that it was carried out fairly by Moneybarn. The level of arrears made it appropriate to issue a default notice, and as Mr D didn't pay the arrears off or agree a repayment plan to pay for them, Moneybarn were within their rights to proceed to terminate the agreement.

The other arguments Mr D makes are in relation to problems or costs he has had because of the default. But as I'm satisfied that Moneybarn haven't treated him unfairly here, those issues aren't relevant to decide upon, as I don't believe anything Moneybarn did was wrong, and so they haven't caused these issues.

I'm not persuaded that Moneybarn did anything wrong here, and I won't be asking them to do anything more.

### **My final decision**

I am not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 17 March 2026.

Paul Cronin  
**Ombudsman**