

The complaint

MONEYBARN NO.1 LIMITED trading as Moneybarn (Moneybarn) provided Mr B with a credit agreement for the purchase of a car in February 2019. Mr B borrowed £7,790 over 60 months with a monthly repayment of £262.65 a month. However, he says the credit was provided irresponsibly.

What happened

The details of this complaint are well-known to both parties, so I won't repeat them again here in detail.

Mr B took the credit to purchase a vehicle in February 2019. He fell behind with payments, and the agreement was terminated in 2022, and a Judgement for Goods was sought and granted in April 2022.

In July 2024 Mr B complained to Moneybarn with the help of a professional representative. He said that had Moneybarn completed the appropriate checks it would have found that it wouldn't be fair to lend to him.

Moneybarn didn't respond to the complaint and so Mr B, again with the help of his representative referred the complaint to this service. Moneybarn failed to provide this service with any evidence of the checks it carried out when considering Mr B's credit application. So, our investigators based their findings on the credit file data and bank statements Mr B provided. The first investigator upheld the complaint but on further review of Mr B's statements, a second investigator concluded that had Moneybarn done proportionate checks it would likely have found that Mr B could sustainably afford the credit.

Unhappy with this outcome Mr B rejected the investigators view and asked for a final decision. 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.

Having considered everything, I'm not upholding Mr B'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 B's case.

Moneybarn didn't provide this service with evidence of the checks it completed at the time of the lending. So, I can't be satisfied that any checks that may have been completed were reasonable and proportionate given the type and amount of credit and what it knew about Mr B's financial situation.

However, having reviewed the evidence available I'm persuaded that if Moneybarn had done proportionate checks, I think it's unlikely these would have shown it was unfair to provide the credit to Mr B.

Reasonable and proportionate checks would have involved checking Mr B's credit history, checking and verifying his income, and taking account of his expenditure.

There are a number of ways it could have done these checks, but for the avoidance of doubt, I'm not making a finding here that Moneybarn needed to see Mr B's statements in order to complete its own income and expenditure assessment. Rather I think it needed to accurately establish Mr B's income and regular essential expenditure. That said in the absence of any other evidence, I think it's reasonable to rely on the credit file and bank statements Mr B has provided to establish what Moneybarn would likely have found had it asked Mr B more questions about his finances.

Having reviewed Mr B's credit file, there is no recent adverse information or other information that I think would have indicated to Moneybarn that the lending was unsustainable. Having reviewed the statements provided, had Moneybarn completed reasonable checks on his income and expenditure, I think it would have found Mr B had sufficient disposable income to afford the lending. Taking into account Mr B's committed expenditure and payments to third parties for living costs, Mr B had around £940 disposable income. So, I think if Moneybarn had then included a reasonable sum for food and fuel, alongside the repayments to the agreement it would have likely found Mr B could sustainably afford what he was being lent.

Based on the information Mr B has provided about his circumstances at the time, there was nothing to suggest Mr B was likely to be unable to sustainably repay what he was being lent.

I'm sorry to hear of Mr B's health struggles but looking at the evidence, it appears Moneybarn behaved as would be expected where a customer finds themselves in financial difficulties. Given this I'm not persuaded Moneybarn acted unfairly in any other way either.

This means I don't think Moneybarn did anything wrong when it provided the credit agreement to Mr B.

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 B 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.

I know this isn't the outcome Mr B 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 trading as Moneybarn.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 7 January 2026.

Charlotte Roberts
Ombudsman

