

The complaint

Miss H complains about the level of service and the support she received from MONEYBARN NO.1 LIMITED, trading as Moneybarn (“Moneybarn”) when she experienced financial difficulties in respect of her regulated credit agreement.

What happened

Miss H entered into a conditional sale agreement with Moneybarn in November 2022 to acquire a used car. The cash price of the car was £4,800, and after taking account of the advance payment, the credit provided totalled £4,530. The agreement was set up over a term of 60 months, with monthly payments of £149.12. The total amount repayable, if the agreement ran to term, would be £8,658.03.

The details of this complaint are extensive, but are known to both parties, so I’m only going to summarise the key points here. If I don’t comment on something, it’s not because I haven’t considered it, it’s because I’ve concentrated on what I think are the key issues. Our powers allow me to do this.

Miss H told us:

- She’s unhappy with the support provided by Moneybarn when she was struggling to repay the finance under her conditional sale agreement;
- Moneybarn contacted her some months ago, outlining the steps she needed to take, including an option to complete a *Suspended Return of Goods Order* (“SROG”);
- this option would’ve allowed her to keep the car, providing she made an upfront payment and completed and submitted the required paperwork;
- she completed the papers but heard nothing since, and now she’s permanently worried about the car being repossessed;
- she relies on the car for work and it’s essential for her family activities;
- she was hoping for a fresh start with her account, allowing her to resume monthly payments through a new agreement, and she is fully committed to honouring a new arrangement and putting these matters behind her once and for all;
- she wants to keep the car, and she wants some compensation for the stress she’s experienced with Moneybarn’s poor handling of her circumstances.

Moneybarn partially upheld Miss H’s complaint and in April 2024 it agreed to pay her £75 for the poor customer service it had provided in respect of her communication preferences. And in April 2025, Moneybarn paid Miss H a further £30 in recognition of the distress she’s experienced with an upfront payment towards the SROG. But it rejected all of Miss H’s other complaint points.

Moneybarn told Miss H in March 2025 that because the agreement had been terminated, it wasn’t in a position to agree a new payment plan, but it did provide Miss H with two options which would enable her to retain the car.

Moneybarn explained Miss H could settle the outstanding balance in full, or alternatively, there may be an opportunity to keep the car through SROG – but it explained that this was a

decision that a court would make. And it went on to explain the purpose of a SROG, what Miss H would need to do, and the costs associated with one.

Unhappy with its response, Miss H brought a complaint to this Service.

Our Investigator looked at this complaint, and she explained which aspects of Miss H's complaint this Service could look at, and she explained why this Service could not consider *everything* that Miss H had complained about.

Looking only at the things she could consider, our Investigator said she thought Miss H's complaint should be upheld, and she asked Moneybarn to pay Miss H a further £95 compensation for the poor service it had provided when it had continued to not follow Miss H's communication preferences.

Our Investigator set out the background to the complaint including the rejected direct debits; the Notices of Default; and the steps Moneybarn had taken in offering Miss H a number of forbearance options, together with the fact that despite being asked to do so on a number of occasions, Miss H had not brought her account up to date. Our Investigator concluded that Moneybarn had taken the steps that this Service would expect of it in the circumstances, and although it perhaps shouldn't have offered Miss H the possibility of entering into a SROG because of the state of her account – something that Miss H says she wants – this is not something our Service can insist upon.

Our Investigator did remind Moneybarn of its obligations to treat Miss H positively and sympathetically when identifying options and solutions for Miss H to clear the arrears and repay the account.

Miss H disagrees so the complaint comes to me to decide. She says it doesn't feel fair that Moneybarn can simply pay an additional £95 and then carry on as if nothing else happened, and she said she'd made a counterproposal to Moneybarn.

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.

In considering what is fair and reasonable, I need to have regard to the relevant law and regulations, regulators' rules, guidance and standards, codes of practice and, where appropriate, what I consider to have been good industry practice at the relevant time.

Having considered all the evidence, I've reached the same conclusion as our Investigator and for broadly the same reasons. To be honest, there's very little I can add to what she's already said, and I think she's set out the position very clearly in her view and subsequent correspondence.

Miss H's complaint is essentially about how she was treated by Moneybarn and the service she received when she got into financial difficulties. The rules and guidance relevant to Miss H's agreement are set out in the FCA's Consumer Credit handbook ("CONC"). For ease of reference, I've highlighted some of these below.

CONC 7.3.4R states that a firm must treat customers in default or in arrears difficulties with forbearance and due consideration. And 7.3.5G explains that examples of forbearance could include deferment of payment of arrears or accepting token payments for a reasonable period of time in order to allow a customer to recover.

CONC 7.3.6G states that where a customer is in default or in arrears difficulties, a firm should allow the customer reasonable time and opportunity to repay the debt.

CONC 7.3.14R states that a firm must not take disproportionate action against a customer in arrears or default.

CONC 3.3.1R states that communications from firms must be clear, fair and not misleading.

Now I accept that Miss H doesn't agree but having considered what both parties have said and submitted I'm satisfied that Moneybarn acted in line with the requirement to treat customers in arrears fairly. In coming to this conclusion I've had regard to the fact that:

- Moneybarn engaged with Miss H on a number of occasions over a lengthy period of time when her direct debits failed and she didn't make her monthly payments.
- Moneybarn offered a number of forbearance options to Miss H in 2024 before it issued a Notice of Default and asked her to bring her account up to date.
- In 2024 Moneybarn offered Miss H a reduced payment plan.
- Miss H did not bring her account up to date, and Moneybarn provided additional forbearance options until it issued a further Notice of Default February 2025.
- In March 2025, recognising that Miss H wanted to keep the car, Moneybarn provided her with options to accomplish this, one of which included a SROG. And it provided a detailed explanation of how a SROG operated, the cost involved, and the next steps Miss H needed to take if she wished to pursue this option.

Looking at the whole picture, I'm satisfied that Moneybarn had regular contact with Miss H about the missed payments and the arrears on her account. And it provided Miss H with a number of opportunities to bring her account up to date. Because the account wasn't brought up to date, it wasn't wrong for Moneybarn to then default the account.

In summary, I'm persuaded that Moneybarn acted positively and sympathetically as it's required to do.

Miss H's other main point of complaint is that Moneybarn did not permit her to enter into a SROG, and she now wants to avail herself of this option – she wants this Service to instruct Moneybarn to offer this now.

Our Investigator explained that although she could understand Miss H's frustration that the SROG option wasn't available to her, she said that Moneybarn explained that because the direct debit indemnities hadn't been cleared, a SROG was no longer an option. I agree with our Investigator that, based on its detailed knowledge of her account, it wasn't appropriate for Moneybarn to have offered Miss H a SROG, when it was never going to be a viable option.

In any event, although I understand that this is what Miss H now wants, instructing Moneybarn to provide a SROG option is not something that this Service can do. It's for Moneybarn to determine its business processes, and I can't tell it to change that process or make an exception in this particular case.

I am going to ask Moneybarn to pay Miss H the additional £95 compensation recommended by our Investigator in recognition of the poor service it provided. This, in addition to what it has already paid, means Miss H will have received a total of £200 compensation for the anxiety and worry Moneybarn caused. And I also remind Moneybarn of its obligation to

continue treating Miss H positively and sympathetically in view of the position she finds herself in.

I know that Miss H will be disappointed with the outcome of her complaint, but I hope she understands why I've reached the conclusions that I have.

Putting things right

I'm going to ask Moneybarn to pay Miss H an additional £95 compensation in respect of the poor service it provided and the worry and anxiety it caused.

My final decision

My final decision is that I uphold this complaint, and direct MONEYBARN NO.1 LIMITED to settle this complaint as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 2 February 2026.

Andrew Macnamara
Ombudsman