

The complaint

Mr W doesn't feel MONEYBARN NO.1 LIMITED trading as Moneybarn, have adequately compensated him for the distress and inconvenience he's been caused.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

Mr W took receipt of a car in February 2024. He financed the deal through a conditional sale agreement with Moneybarn. He was unhappy with the quality of the car, and he referred a complaint to this service. In January 2025 we found that the car was of unsatisfactory quality and Moneybarn agreed to refund repair costs, paying them on 28 January 2025.

Unfortunately, Mr W experienced further faults with the car and on 3 March 2025 Moneybarn said they'd unwind the agreement with nothing further to pay. They said they would refund Mr W's deposit and a monthly repayment and that they would add 8% simple interest to the refunds. They arranged to collect the car and remove any adverse information from Mr W's credit file. Mr W accepted that offer but subsequently asked Moneybarn for compensation for the distress and inconvenience caused. They offered £400 but Mr W thought it should be significantly more. He referred a complaint to this service.

Our investigator explained that we couldn't consider matters that had already been reviewed under the January 2025 complaint and she thought Moneybarn's offer of compensation was reasonable. Mr W disagreed and he asked for a final decision by an ombudsman.

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.

I agree with the investigator's view of this complaint and for broadly the same reasons.

Where the information I've got is incomplete, unclear, or contradictory, as some of it is here, I have to base my decision on the balance of probabilities.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point, it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

Mr W acquired his car under a regulated consumer credit agreement. This means our service is able to consider complaints about it.

When a consumer accepts the redress our investigator has proposed it is a matter of fair process and settled practice that this service will not reopen the same complaint issues. Our service treats such a complaint as resolved and closed as the complaint has been concluded

by agreement. So here I will not be reopening any of the complaint issues that were resolved by this service in January 2025. Instead, I'll be focussing on whether I think compensation offered by Moneybarn in respect of the issues Mr W has had *since* he accepted our view of his earlier case, has been reasonable.

Since the earlier complaint was resolved I can see that Moneybarn provided the redress we'd suggested within the requisite timeframe. So I don't think compensation is due in that respect. I've carefully considered the impact Mr W says the vehicle issues had on his ability to visit and transport his children, including for medical, therapy and extracurricular appointments. I don't doubt that the situation was particularly difficult given his children's additional needs and the reliance he places on a car as a result. However, the issues with the vehicle persisted for a little over a month and there's no persuasive evidence that Mr W incurred significant additional financial loss during that period, such as sustained alternative transport costs. Compensation awarded by this service is intended to recognise distress and inconvenience rather than to punish a business or to reflect the seriousness of the underlying personal circumstances. Taking account of the duration of the problems, the disruption described, and the steps Moneybarn took to address matters, I'm satisfied that the £400 already offered is fair and proportionate and adequately recognised the upset and inconvenience caused. I don't consider it appropriate to require the business to pay anything further.

Mr W says Moneybarn refused to reimburse a diagnostic cost unless he accepted their settlement. He said Moneybarn held back part of the January 2025 settlement for that reason and would only repay it if he agreed. He accepted their proposal to end the agreement and refund his deposit and some of his payments, and there's no suggestion the refund wasn't made. In those circumstances, I think the outcome reached was fair, and I'm not persuaded it would be reasonable to require Moneybarn to pay anything further.

Mr W has explained that in January due to the car's unreliability he accepted a lower paid job. I've already explained that I'm not able to consider matters that may have been considered in his previous complaint. I think this is such an issue but even if I'm wrong about that I don't think it would be fair to hold Moneybarn accountable for a choice that Mr W made. Similarly, Mr W has explained that he had to take a loan from friends to buy a replacement car. Moneybarn have agreed to terminate the agreement and Mr W has accepted that proposal. The financing of a replacement car is not something they needed to consider.

Overall, I think Moneybarn's offer of compensation is reasonable. Should Mr W wish to accept that offer he'll need to contact them, but I'm not asking Moneybarn to take any further action.

My final decision

For the reasons I've given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 25 February 2026.

Phillip McMahon
Ombudsman