

The complaint

Miss W is unhappy with the way she was treated when the car supplied to her under a conditional sale agreement with Moneybarn No.1 Limited trading as Moneybarn (“Moneybarn”) was taken back and sold at auction.

When I refer to what Miss W has said and what Moneybarn has said, it should also be taken to include things said on their behalf.

What happened

On 12 December 2024, Miss W was supplied with a used car through a conditional sale agreement with Moneybarn. This meant Moneybarn owned the car until Miss W had made all repayments. She made an advance payment of £1,000 and the agreement was set to run for 59 months, payable at £298.32 per month. At the time of supply, the car was around seven years old and had done a little under 59,000 miles.

In April 2025, Miss W had a low-speed collision with another car. She let Moneybarn know that the car was damaged and that she’d need to carry out and pay for repairs because she only had third-party insurance. Moneybarn said the credit agreement required fully comprehensive insurance.

Miss W told Moneybarn about her difficult financial and personal circumstances and asked if she could arrange the repairs. Moneybarn agreed and confirmed that it would need to see repair evidence, a new MOT, and insurance in line with the terms of the credit agreement. Miss W said the car would be unaffordable if she had to pay for fully comprehensive insurance with the stipulated maximum excess.

After some repairs were done, Moneybarn asked for confirmation that the car was roadworthy. There followed numerous conversations between Miss W and Moneybarn disputing the quality of parts used for the repairs, the MOT, and the comprehensive insurance. Moneybarn didn’t think Miss W had done enough to bring the car back to roadworthiness and it issued a default notice. Subsequently, Moneybarn repossessed the car and sold it at auction, applying the proceeds to the credit balance and confirming that Miss W owed the remainder.

Miss W complained. She said Moneybarn hadn’t worked with her to make sure she could repair and keep the car, and she felt it had treated her unfairly. Moneybarn issued its final response to Miss W’s complaint on 22 May 2025, although she said she didn’t receive it. Unhappy with the way Moneybarn had treated her, Miss W brought her complaint to us. Our investigator looked into matters, but he didn’t think Moneybarn had done anything wrong. He said it had given Miss W an opportunity to repair the car, and he didn’t think it was unreasonable that Moneybarn wanted evidence that the car was roadworthy. Our investigator didn’t uphold Miss W’s complaint.

Miss W didn’t agree. She said she’d paid for repairs which Moneybarn had benefitted from when selling the car. She also said that Moneybarn went back on things it had told her. Miss W didn’t agree with our investigator, so the complaint was 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.

While I realise this will be disappointing to Miss W, I've decided not to uphold her complaint for broadly the same reasons as our investigator. Both Miss W and Moneybarn are familiar with the circumstances, so I won't repeat the detail here. Instead, I'll focus on explaining why I've reached my decision.

Some of the events Miss W complained about relate to activity after the date of Moneybarn's final response letter. Moneybarn has agreed to those events being included in my decision.

The conditional sale credit agreement is regulated under the Consumer Credit Act 1974, and it is a regulated activity which falls within my remit to consider. So, to begin with, I think it's worth setting out the requirements of the conditional sale agreement that Miss W entered into and which relate to her complaint.

At the top of page 3, the agreement states:

Insurance

You must insure the vehicle at your own cost under a fully comprehensive policy.

Pages 7 and 8 include the following terms and conditions:

4. Insurance, insurance claims [...]

4.3. You must make sure the insurance policy gives fully comprehensive cover and show us the insurance certificate when we ask for it.

4.4. You must make sure that under the insurance:

4.4.1. the vehicle is insured to its full replacement value

5. Things you must and must not do

5.1 You must:

5.1.6. have repairs to the vehicle carried out by a mechanic approved by its manufacturer

5.1.7. make sure the vehicle always has a valid MOT certificate

Miss W complained that Moneybarn gave mixed messages about whether she could repair and keep the car. Having looked at the record of conversations between Moneybarn and Miss W, I'm satisfied that Moneybarn provided information in line with the credit agreement. That is, it agreed that Miss W could arrange repairs, it gave her time to do so, and it asked for evidence of approved repairs. Miss W bought the car parts online and she had repairs done by a family member, which meant that Miss W was unable to show that the repairs were manufacturer approved. The agreement also confirms that Moneybarn can ask Miss W for evidence of a valid MOT – that is, evidence that the car was roadworthy. As Miss W had told Moneybarn that the car needed significant repairs after the accident, I don't find that Moneybarn treated her unreasonably by asking for the MOT evidence.

While Miss W said that Moneybarn treated her unfairly, I have not seen anything in the evidence to support this. Moneybarn explained that she had breached the terms of the agreement by failing to insure the car under a fully comprehensive policy. Miss W does not dispute this. Unfortunately, it's more likely than not that the current balance on the agreement is a direct result of not having the required insurance cover. If the car had been insured under a fully comprehensive policy, the repairs would likely have been paid for.

Miss W said Moneybarn sold her car without removing the repair parts she'd paid for. Under the terms of the agreement, Moneybarn was entitled to recover the car and sell it at auction. The price achieved would have included whatever value the repairs added. As the selling price was deducted from the amount Miss W owed under the agreement, she will have benefitted from the repairs. So I don't think Moneybarn did anything wrong by not removing the parts.

I've looked at the evidence provided in respect of the default notice and termination of the agreement. I see that Moneybarn allowed Miss W extra time to complete repairs and provide evidence, which I think was fair given the difficult circumstances she described to it. However, after allowing additional time with no meaningful progress evident, I don't think it was unreasonable for Moneybarn to then recover and sell the car, and terminate the agreement in line with the terms and conditions.

Moneybarn has provided Miss W with confirmation of the outstanding balance and, if settled early, the balance payable will be less because interest will be deducted. I understand Miss W faces difficulty in making payment and I realise this will be an unwelcome outcome to her complaint. Nevertheless, Moneybarn is entitled to seek payment. I see that Moneybarn has provided details of organisations that may be able to help given her circumstances, which I think is reasonable.

Overall, I find that Moneybarn reasonably terminated the credit agreement because Miss W was unable to demonstrate that she'd met the relevant terms and conditions. I haven't identified any persuasive evidence of Moneybarn failing to communicate appropriately with Miss W or that it treated her unfairly. Therefore, I do not uphold the complaint and I make no requirement of Moneybarn.

My final decision

For the reasons explained, I don't uphold Miss W's complaint about Moneybarn No.1 Limited trading as Moneybarn.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss W to accept or reject my decision before 13 March 2026.

Debra Vaughan
Ombudsman