

The complaint

Mr B complains about the time it took Moneybarn No.1 Limited (“Moneybarn”) to unwind a conditional sale agreement he took out with them to acquire a car.

What happened

In October 2024, Mr B acquired a used car using a conditional sale agreement with Moneybarn. The car was around seven years old, the cash price of the car recorded on the agreement was £9,290, the agreement was for 60 months, made up of 59 regular, monthly repayments of £358.91. The mileage of the car recorded on the agreement was 80,684 miles.

Mr B complained to Moneybarn in December 2024 as he had issues with the car. Following an independent inspection, the car was found to have an issue in relation to its timing chain, amongst other things.

In April 2025, Moneybarn issued their final response to Mr B in which they informed him that the dealership had accepted rejection of the car and that the agreement was cancelled. Moneybarn informed Mr B that he had no further financial liability towards the agreement. Moneybarn also told Mr B that two monthly instalments he had made towards the agreement had already been refunded to him and that they would also give him a further £150 for the distress and inconvenience caused.

Mr B later contacted Moneybarn as he required finance to acquire another car but said he was unable to do so as the agreement he took out with them hadn't been unwound yet.

Mr B said he then spent several weeks trying to chase Moneybarn and get them to unwind the agreement, as they said they would in April 2025.

Frustrated with the lack of action by Moneybarn, Mr B referred his complaint to our service in May 2025. Among other things, Mr B also said he wanted to be compensated for travel costs he had to make while he didn't have a car.

In June 2025, Moneybarn informed Mr B that his agreement had been marked as “*unwind pending*”, so he could proceed with another application for finance if he chose to. Moneybarn also said that until the broker returned the funds owed, they were unable to proceed with finalising the unwinding of the agreement.

Mr B informed our service that he attempted to take out another finance agreement with Moneybarn, but that it was declined.

Our investigator issued his view where he partially upheld Mr B's complaint. In summary, the investigator thought it took Moneybarn too long to confirm to Mr B when his liability towards the agreement had been removed and thought they gave him conflicting information at times. So, he thought Moneybarn should pay Mr B a further £250 for the distress and inconvenience caused. The investigator also thought Moneybarn should reimburse Mr B for some additional costs incurred.

Both Moneybarn and Mr B disagreed with the investigator's outcome.

Moneybarn didn't agree with the compensation amount the investigator reached. Moneybarn also didn't think some of the costs should be reimbursed to Mr B. The investigator went on to explain that due to the conflicting information and the delays, he thought the amount he was asking Moneybarn to pay was a fair amount. The investigator also explained again why he thought Moneybarn should reimburse Mr B for some of the additional costs he had incurred.

Mr B thought he should be compensated for more, and among other things, these were for petrol costs he had incurred, as well as to store a caravan. The investigator explained why he didn't think it would be fair for Moneybarn to pay these to him.

As both Moneybarn and Mr B disagreed with the investigator's view, 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.

Having done so, I'm partially upholding this complaint and I'll explain why below.

I'm aware I have summarised events and comments made by both parties very briefly, in less detail than has been provided, largely in my own words. No discourtesy is intended by this. In addition, if there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is a fair outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as an alternative to the courts.

Mr B complains about a car supplied to him under a conditional sale agreement. Entering into consumer credit contracts such as this is a regulated activity, so I'm satisfied I can consider Mr B's complaint about Moneybarn.

Normally, I would go on to consider Moneybarn's responsibility, as the supplier of the car, to make sure goods are of satisfactory quality under The Consumer Rights Act 2015 ("CRA"). However, I don't think I need to make a finding on this matter. I say this because, I don't think it's in dispute that the car that was supplied to Mr B was not of satisfactory quality. I say this because Moneybarn has explained in their April 2025 final response that rejection of the car had been accepted and Mr B had been reimbursed some repayments made towards the agreement.

So, what I need to consider here is whether Moneybarn has acted fairly and reasonably in how they have tried to put things right.

Moneybarn has already refunded Mr B two monthly repayments made towards the agreement. They retained one monthly repayment due to Mr B driving the car over 5,000 miles before it was returned. I think this is fair and reasonable, given Moneybarn have accepted the car should be rejected and due to the mileage Mr B covered. And I also think it is fair and reasonable that the agreement was to be unwound.

The crux of the issue here is the time it took Moneybarn to process the unwinding of the agreement, and the impact this had on Mr B.

Mr B had to contact Moneybarn on many occasions to get an update as to the status of the agreement. This was over a period of around two months. From contact notes I have seen, on occasions, Moneybarn gave Mr B conflicting information. At times, Mr B was told by Moneybarn that his account was showing in arrears, which contrasted with what he was told by Moneybarn in their final response to him.

Mr B continuously told Moneybarn about his personal circumstances, and why he needed to be kept mobile. And he was only informed in June 2025 that his agreement had been marked as “*unwind pending*”. I appreciate Moneybarn say that Mr B could have made another application to obtain credit while he was waiting for his agreement to be unwound, I do think the conflicting information Mr B received on each occasion he chased them didn’t help matters here. And Mr B has explained in detail the stress he had suffered as result of this.

Given the circumstances, I think it would be fair and reasonable for Moneybarn to pay Mr B a further £250, in addition to the £150 they have already paid, to reflect the distress and inconvenience he has experienced because of this complaint.

Mr B has asked to be reimbursed for some additional costs incurred, and I have addressed some of these below.

Mr B has asked to be reimbursed for postage costs of £9.85 for sending documentation in to be investigated. Considering I am upholding this complaint and I am satisfied Moneybarn needs to do more in this instance, I think it is fair and reasonable Moneybarn compensate Mr B for being out of pocket here.

Mr B has asked to be reimbursed for items he purchased for the car, those being a:

- £16.99 purchase for AdBlue;
- £15.99 purchase for engine oil as a low oil message appeared on the car’s dashboard; and
- £37.48 purchase for windscreen wipers.

Considering the car was rejected, and Moneybarn would now receive the benefit of some of those purchases, I think it is fair and reasonable Mr B is compensated for these costs.

Mr B has asked to be compensated for the cost of petrol for the time he was without a car and had to rely on others to drive him around. While I appreciate his comments here, I don’t think Moneybarn need to compensate Mr B for this, as no monthly instalments were being paid towards the agreement at the time. So any funds which would have normally been paid towards the agreement could have been used to keep himself mobile.

Mr B also complained about Moneybarn’s decision to decline another agreement Mr B tried to take out with them. While I appreciate Mr B’s frustration here, accepting a finance application is based on several factors which a lender will consider in line with relevant regulations and their responsibilities as a finance lender.

Where one lender may lend, another may not, even if they have had a financial relationship previously. And it’s a commercial decision for the lender to make. From internal emails I have seen with Moneybarn, I can see they have explained that their decision to decline finance wasn’t in relation to Mr B’s agreement which was waiting to be unwound. Overall, I haven’t seen anything to suggest Moneybarn acted wrongfully during the application process.

And for this reason, I also don't think Moneybarn are at fault for Mr B not having a car and having use of his caravan. And so, I don't think Moneybarn need to reimburse Mr B for caravan storage costs.

Considering things here, I think Moneybarn needs to do more to put things right. And while I understand Mr B was ultimately upset that a further finance application was declined as he didn't meet Moneybarn's lending criteria on that occasion, I cannot say they did anything wrong there.

My final decision

For the reasons I've explained, I uphold this complaint and I instruct Moneybarn No.1 Limited to put things right by doing the following:

- Pay Mr B a further £250 to reflect the distress and inconvenience caused.
- Reimburse Mr B £16.99 for a purchase made by him on 4 November 2024. *
- Reimburse Mr B £37.48 for replacement windscreen wipers on 8 November 2024. *
- Reimburse Mr B £15.99 for a purchase made by him on 12 November 2024. *
- Reimburse Mr B £9.85 for postage costs on 25 September 2025. *

* These amounts should have 8% simple yearly interest added from the time of payment to the time of reimbursement. If Moneybarn considers that it's required by HM Revenue & Customs to withhold income tax from the interest, it should tell Mr B how much it's taken off. It should also give Mr B a tax deduction certificate if they ask for one, so they can reclaim the tax from HM Revenue and Customs if appropriate.

If Moneybarn has already given compensation in relation to this specific complaint, the final amount should be less the amount already given.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 9 February 2026.

Ronesh Amin
Ombudsman