

The complaint

Mr T complains that MONEYBARN NO.1 LIMITED trading as Moneybarn approved a vehicle finance agreement in 2015 which he says he could not afford to repay.

What happened

This is a short summary as a significant part of the complaint has been agreed between the parties. Both are aware of the details leading up to this decision so, I have kept the summary brief.

Mr T had a car finance agreement with Moneybarn signed in January 2015. The cash price of the vehicle was £5,975. I do not set out the rest of the terms here. Mr T got into arrears. The agreement was terminated in 2016, and a Consent Order involving lawyers was signed by Mr T and Moneybarn and endorsed by the Court. In July 2018, the car was not economical to repair and so Moneybarn sold it at auction for £325 in September 2018. Those sale proceeds were credited to the account. Mr T paid the required monthly amount for a bit longer and then it went down to £19 a month. Eventually the debt was sold to a third party in December 2019. The Statement of Account I have seen shows that around £2,500 was owed still.

Mr T had complained to Moneybarn in 2024, and after it had been referred to the Financial Ombudsman Service, it consented to the complaint being investigated. One of our investigators looked at the merits of the complaint and considered that Moneybarn ought to put things right for Mr T. Moneybarn accepted this outcome on 14 July 2025. So, the resolution outlined in the investigator's view in June 2025 was to be carried out.

That was several months ago. Moneybarn has had to buy back the debt from the third party. The delay seems to have been internal administration within Moneybarn. In November 2025, our investigator issued a further view to say that she considered Mr T had suffered distress and inconvenience for the delay in putting things right for Mr T following acceptance of the complaint outcome. She made a money award of £150. Moneybarn has not responded so the unresolved part of the complaint was passed to me to decide. Mr T wants a final decision so that he can, if required, enforce it against Moneybarn more formally.

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 have reviewed the whole complaint file and all the correspondence since our Investigator's view dated 30 June 2025.

As Moneybarn has accepted the irresponsible lending outcome then there is no need for me to review the merits of the complaint. And the redress section below duplicates what Moneybarn accepted it had to do in July 2025.

The delay since Moneybarn's acceptance of the outcome in July 2025 surrounds the buy back of the debt from the third party. Mr T has demonstrated to us the distress and inconvenience he's experienced due to the delay. The details are outlined in our

investigator's more recent view, which both parties received. I do not repeat them here. I endorse the money award of £150 for distress and inconvenience.

Putting things right - what Moneybarn needs to do

Our investigator's redress was accepted by Moneybarn and it is duplicated below. I have summarised the point surrounding fair usage: it was assessed as £99 a month for the 42 months Mr T had the car which was sold on 11 September 2018. The 42 months at £99 a month translates into £4,158.

"To settle Mr T's complaint, Moneybarn should do the following:

- Moneybarn to calculate how much Mr T has paid in total and deduct £4,158 for fair usage. If Mr T has paid more than the fair usage figure, Moneybarn should refund any overpayments, adding 8% simple interest per year* from the date of payment to the date of settlement.
- Remove any adverse information recorded on Mr T's credit file regarding the agreement.
- If there are any arrears after the settlement has been calculated, Moneybarn should arrange an affordable repayment plan. And treat Mr T with forbearance and due consideration.

*HM Revenue & Customs usually requires Moneybarn to take off tax from this interest. If applicable, it must give Mr T a certificate showing how much tax it's taken off if he asks for one.

If the debt has been sold to a third party, Moneybarn should arrange to either buy back the debt from the third party or liaise with them to ensure the redress set out above is carried out promptly."

In addition, I make a money award of £150 to be paid directly to Mr T for the distress and inconvenience experienced through the latter part of 2025. It is not to be set off against any outstanding debt that may or may not arise out of the redress calculations.

I've considered whether the relationship between Mr T and Moneybarn might have been unfair under section 140A of the Consumer Credit Act 1974. However, I'm satisfied the redress I have directed and should be carried out for Mr T, results in fair compensation for him in the circumstances of his complaint. I'm satisfied, based on what I've seen, that no additional award would be appropriate in this case.

My final decision

My final decision is that I uphold the complaint about the irresponsible lending as both parties have already agreed to that.

And I make a £150 money award to Mr T.

I direct that MONEYBARN NO.1 LIMITED trading as Moneybarn does as I have outlined in the 'putting things right' part of the decision.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 30 January 2026.

Rachael Williams
Ombudsman