

The complaint

Miss B complains that Moneybarn No. 1 Limited provided her with credit irresponsibly when it supplied a car to her under a conditional sale agreement and about other issues relating to that agreement.

What happened

A used car was supplied to Miss B under a conditional sale agreement with Moneybarn that she electronically signed in June 2024. The price of the car was £9,750, Miss B made an advance payment of £400 and she agreed to make 59 monthly payments of £371.56 to Moneybarn.

Miss B complained to Moneybarn about the conditional sale agreement in November 2025 and it responded to her later that month, but it didn't uphold her complaint. It said that it was satisfied that the finance provided was assessed fairly and the amount offered to her was affordable.

Miss B wasn't satisfied with its response, so referred her complaint to this service. Moneybarn said in December 2025 that it didn't think that it could have done things differently in the circumstances and it then sent Miss B a default notice and terminated the conditional sale agreement in January 2026.

Miss B's complaint was looked at by one of this service's investigators who, having considered everything, didn't recommend that it should be upheld. He was satisfied that Moneybarn gathered a reasonably thorough amount of information and evidence from Miss B about her ability to afford her repayments, which indicated that she would be able to afford them, so he thought that Moneybarn made a reasonable lending decision.

Miss B hasn't accepted the investigator's recommendation and has asked for her complaint to be considered by an ombudsman. She says, in summary and amongst other things, that she only proceeded with the conditional sale agreement because of the reassurances given by the dealer at the point of sale about refinancing the agreement and that the relationship is unfair under section 140A of the Consumer Credit Act 1974. She also says that she's concerned that her emails remain unanswered by Moneybarn while enforcement letters continue to be sent and she has an active County Court claim against the dealer in relation to the car and the circumstances of the sale.

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.

Miss B applied to Moneybarn for credit to pay for a car to be supplied to her and she declared that she was employed with a monthly income of £2,550. Moneybarn verified her income using information from a credit reference agency and it also confirmed that her income matched what was expected for her occupation. Moneybarn also conducted a search of Miss B's credit file and made an affordability check using the information that it had

obtained and data from the Office for National Statistics.

Moneybarn was required to make reasonable and proportionate checks to ensure that any credit to be provided to Miss B was sustainably affordable for her before entering into the conditional sale agreement. I consider that the checks that Moneybarn made were reasonable and proportionate in the circumstances of the credit for which Miss B had applied and I don't consider that it was required to have obtained a more detailed understanding of her financial situation.

Those checks showed that there were no county court judgments entered against Miss B, she hadn't defaulted on any debt for 13 months, she was making contributions to pay back sums owed and insolvency information had been applied to her credit file 59 months before the conditional sale agreement started. I don't consider that that information should have prevented Moneybarn from providing credit to Miss B to pay for a car to be supplied to her.

The checks showed that Miss B's monthly expenditure for her housing costs, council tax, utilities, car costs, basic living costs and her existing credit commitments was £1,441.99 and it applied a buffer of £343.84 to give a total expenditure of £1,785.83. Miss B's verified monthly income was £2,550, so she was left with a disposable income of £764.17 from which she could afford a conditional sale agreement with a monthly payment of £371.56.

Miss B says that her health declined in November 2024 which caused her to be off work, so her income reduced significantly. That happened after Miss B had entered into the conditional sale agreement and it didn't cause the agreement to have been unaffordable for her at the time that she entered into it. I consider that Moneybarn made a fair lending decision when it provided the credit to Miss B in June 2024.

When Miss B was unable to make the monthly payments Moneybarn offered exit options to her to help minimise her financial liability and, when she complained to it, it provided her with information about organisations that offer free impartial advice and support and would be able to recommend the most appropriate debt solution for her situation. Miss B complained to this service in November 2025 and, since then, Moneybarn has issued her with a default notice and has terminated the conditional sale agreement. Miss B's complaint didn't include a complaint about the default and termination notices, so I'm unable to consider those issues in this decision. If Miss B wants to complain about those notices, she should first complain to Moneybarn about them and then, if she's not satisfied with its response, she may be able to make a separate complaint about those issues to this service.

Miss B also says that the dealer mis-sold the conditional sale agreement to her and that she has an active County Court claim against the dealer in relation to the car and the circumstances of the sale. She asked for more time to provide relevant information about the representations made at the point of sale, but the deadline for providing that information expired more than three weeks ago and Miss B hasn't provided any further information. I've carefully considered all that Miss B has said and provided about her complaint, but I'm not persuaded that there's enough evidence to show that the conditional sale agreement was mis-sold to her or that Moneybarn provided the credit to her irresponsibly.

I've also considered whether Moneybarn acted unfairly or unreasonably in some other way, including whether its relationship with Miss B might have been unfair under section 140A of the Consumer Credit Act 1974. Having done so, I've not seen anything that makes me think that that was likely to have been the case. I appreciate that my decision will be disappointing for Miss B, but I find that it wouldn't be fair or reasonable in these circumstances for me to require Moneybarn to take any further action in response to her complaint.

My final decision

My decision is that I don't uphold Miss B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 19 May 2026.

Jarrold Hastings
Ombudsman