

## **complaint**

Mr and Miss A feel that Moneybarn No 1 Limited has treated them unfairly in relation to a conditional sale agreement for a car that didn't go ahead.

## **Background**

In January 2020 I issued a provisional decision saying that I was minded to uphold the complaint. I invited both parties to let me have any further submissions before I reached my final decision. Mr and Miss A have responded to say they disagree with my position. Moneybarn has accepted my provisional decision.

## **My findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Mr and Miss A have repeated their arguments regarding losing out due to Moneybarn's mistake and think they should receive substantially more than what I provisionally decided. However they have not addressed my arguments why I think this would be unfair. They've not provided the documentary evidence I've requested regarding refused lending and their credit file. They've said their credit file only covers a year. However credit files cover six years of credit behaviour.

They've also named a company they say refused them credit at the time. However I did ask for evidence of the rejected credit application which hasn't been provided. Moneybarn were only prepared to lend to both Mr A and Miss A together (and not separately). Considering the reasoning for not lending to Miss A it would seem likely that other firms would take a similar position for similar reasons. So all in all I'm not persuaded by Mr A and Miss A's arguments and I don't think anything they've said means I should change any aspect of my provisional decision.

As neither party has made any persuasive comments on my provisional decision to change my stance and having considered the matter afresh, I see no persuasive reason to change my position. Consequently, I direct Moneybarn to pay a further £450 on top of the £250 already paid as this is a fair solution to this matter.

## **my final decision**

For the above reasons and those described in my provisional decision attached I uphold this complaint about Moneybarn No 1 Limited. I direct it to pay Mr and Miss A the further amount £450 in addition to what had previously been paid.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr and Miss A to accept or reject my decision before 23 April 2020.

Rod Glyn-Thomas  
**Ombudsman**

## **Copy of Provisional Decision**

### **complaint**

Mr and Miss A feel that Moneybarn No 1 Limited has treated them unfairly in relation to a conditional sale agreement for a car that didn't go ahead.

### **background**

Mr and Miss A had two cars, a family car and a sports car. They approached Moneybarn to agree some finance in order to get a new family car. Moneybarn said they could have a joint agreement and told them how much they were prepared to lend.

Mr and Miss A then sold their family car and used the proceeds to pay off the remaining finance on that car in anticipation of getting a new family car through credit with Moneybarn. They paid £200 as a non-refundable deposit on a new family car.

Moneybarn then realised that Miss A didn't have a valid driving licence. As such she couldn't be part of the agreement to borrow the money. Mr A didn't meet the affordability requirements for the amount they'd wished to borrow alone so Moneybarn didn't complete the finance. This left Mr A without a family car as the sports car isn't suitable for his family's usage. So, Mr A and Miss A complained to Moneybarn.

Moneybarn acknowledged that it had told them wrong information and that it shouldn't have let the agreement get as far as it had. It paid Mr A and Miss A £250 which comprised of the £200 deposit Mr A lost and £50 for distress and inconvenience. But Mr A and Miss A say they are without a family car due to Moneybarn's mistake and so they want significantly more compensation. So they brought their complaint to this service.

Our Investigator felt that Moneybarn had done things wrong and that what it had paid so far wasn't enough. So she said Moneybarn should pay a further £200 to Mr A and Miss A to better reflect the matter. But Mr A and Mrs A feel this is still a long way short of the redress they'd be looking for. Consequently this complaint comes to me for a decision.

### **my provisional findings**

I have considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Having considered the matter I broadly agree with the investigator's findings regarding what Moneybarn did. But I don't think Mr A and Miss A's arguments about how they should be compensated have been properly addressed. So, in the interests of fairness to both parties I am issuing this provisional decision to allow both parties to fully understand my position so that they have a fair opportunity to understand and respond to points which I think are crucial to this complaint.

Moneybarn has accepted it made mistakes and upheld Mr A and Miss A's complaint. It accepted that it didn't tell them that Miss A had to have a full driving licence to get the finance. And as Mr A already had a live finance agreement for the sports car he couldn't have another. So that's why the lending didn't go ahead. So I don't propose to go over these matters again.

Mr A has shown that he was no longer the registered keeper of the family car by the time of the 22 August 2018. And I can see from the conditional sale agreement that Mr A and Miss A signed it that day also. I can also see from Moneybarn's internal records that from 23 July 2018 Mr A and Miss A were looking to borrow further and settle early the finance agreement that they already had. Thus, I'm satisfied that Mr A and Miss A acted based on what Moneybarn had told them.

Mr A has explained that what happened caused them considerable inconvenience. He has pointed to having to commute to work rather than drive and the inconvenience to his children for their daily travel to school. He's noted the lack of functionality of the sports car and the need for a new family car. Mr A thinks he's lost £4,000 due to Moneybarn because if it hadn't made a mistake, he'd have paid off the finance on the family car and that car would still have had resale value. But I'm not persuaded by this.

Clearly Mr A sold the car in order to get a new one and all of this started because of his wish to do so. So, I don't think it would be fair to make Moneybarn responsible for this because I think he'd have found a different finance provider in order to take out a new car. And ultimately, he used that money from the sale to pay off the finance on that car-so he no longer has an interest-bearing debt so has benefited from getting rid of that.

But I do think Moneybarn should pay more to Mr A and Miss A than has been previously been discussed. Clearly finding themselves without a family car through no significant fault of their own would have been substantially inconvenient and would have led to significant changes in their daily lives including for the children.

Contrary to this though is Mr A and Miss A's responsibility to mitigate such losses. Clearly, they needed a family car and could have got a car through a variety of means including getting finance from other providers. Mr A points to his credit file, but clearly Miss A's finances were sufficiently positive for Moneybarn to lend to her (save for the issue regarding her driving licence). So, I think other lenders might have been willing to lend to her or them both but possibly on different terms.

So, I think Mr A and Miss A could have got credit and thus a new family car relatively quickly. And I am not persuaded Mr A and Miss A quickly tried to mitigate their loss by attempting to get finance elsewhere straightaway. I also must bear in mind that although some costs would have increased (like Mr A's commuting costs), his car costs (petrol and insurance etc) would have stopped during this time. Assessing the quantum of this distress and inconvenience is difficult other than to say I think it would have been substantial in the early period of being without a car but as time went on the onus was more and more on Mr A and Miss A to mitigate their loss by making new arrangements for their situation.

Moneybarn has already paid £250 to Mr A and Miss A comprising of £200 to cover the financial loss of the new family car deposit and £50 to cover the distress and inconvenience. I currently think Moneybarn should pay a further £450 to Mr A and Miss A to reflect the distress and inconvenience suffered as a consequence of Moneybarn's failings in this matter.

In short, I've considered everything that Mr and Miss A have said. I appreciate how Mr A and Miss A feel about the whole situation. However, all in all I currently think that a further £450 on top of the £250 already paid is a fair solution to this matter.

### **My provisional decision**

For the reasons set out above, I am currently minded to uphold the complaint against Moneybarn No 1 Limited and for it to pay redress as set out above.

I now invite both parties to give me their final thoughts on the matter within the timeline described above.

Rod Glyn-Thomas  
**ombudsman**