

## **complaint**

Mr H complains about the way Moneybarn No. 1 Limited ("Moneybarn") handled his case when he fell into arrears on his account.

## **background**

Mr H took receipt of a used Volvo in January 2016. He financed the deal through a five year conditional sale agreement with Moneybarn but the account fell into arrears in December 2016. The agreement was terminated and the car was eventually repossessed by Moneybarn who sold it to reduce the arrears on the account.

Mr H is disappointed with the way Moneybarn have handled the process of collecting those arrears. Particularly as he is in poor health that he says has been worsened by their actions.

He wrote to us in early July 2018 to summarise his complaint against Moneybarn he said there were four main issues:

- Moneybarn broke the repayment agreement by attempting to take a payment on the wrong date
- they didn't give him the information requested in order to make an informed decision on the options they had offered – this related to the repossession of the vehicle
- they gave him false advice and guidance and didn't accept reasonable solutions
- they didn't take into account his vulnerability despite him telling them about his health issues

I note there were some additional points that were considered by the business and our adjudicator. They also considered:

- that the car wasn't repossessed for four months and prevented Mr H from having access to his drive
- that the business sold the car for an unreasonable price

Moneybarn explained that a default notice was issued at the end of November 2017 when the account was three months in arrears. This notice explained that the vehicle would be repossessed and the finance agreement would be terminated if the arrears weren't cleared in full. In December 2017 they said Mr H contacted them and explained his health problems and that this had led to him losing his job but securing a new one on a lower salary. They agreed a repayment plan with him.

But in January 2018 payments were missed again and the agreement was terminated by Moneybarn. They noted that Mr H had asked for a months grace in making payments but explained that this wasn't something they offered. They discussed setting up a Consent Order which would be approved by the courts but they noted they didn't send Mr H details of this when he asked for them. So in March 2019 they offered the Consent Order again. Overall they didn't think they'd made any mistakes when handling Mr H's account arrears situation.

But Mr H was dissatisfied with their response and he therefore referred it to this service where our adjudicator considered all aspects of his complaint. In the main she was persuaded that Moneybarn had managed Mr H's arrears situation correctly but she did think there were a few areas where they could have done better. She understood that not having

access to his drive for four months, whilst the car was on it waiting to be repossessed, would have been inconvenient and she also thought it was clear that the recovery agents shouldn't have entered Mr H's private property and should have considered whether Mr H had any accessibility or communication needs as they were aware of his health problems. So she thought they should compensate Mr H for the inconvenience he'd been caused and that in the circumstances a payment of £300 would be reasonable.

Moneybarn accepted the adjudicator's view but Mr H didn't and he asked for a final decision by an ombudsman.

## **my findings**

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

I was really sorry to hear about Mr H's poor health. I've not referred to the details in this decision, as it will be published, but I wanted him to know that I understand things are, and have been, very difficult for him.

I agree with the comments that our adjudicator has made. I can see that Moneybarn could've done some things better and the compensation the adjudicator has set out seems sensible. But on the whole I think Moneybarn's collection process and handling of the arrears situation was what I would expect and in the main I don't think there's evidence they've done much wrong. Please let me explain.

Where the information I've got is incomplete, unclear or contradictory, as some of it is here I have to base my decision on the balance of probabilities.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

### *taking payments on the wrong date*

I've listened to the phone call Mr H had with Moneybarn where it was agreed that two direct debits would be set up; one on the first and one on the second of the month. Both of these payments bounced but they appear to have been set up on the correct dates. So I can't see that Moneybarn made a mistake here.

### *information about the repossession options*

When the agreement was terminated there were still some options Mr H had to keep his car. One was to arrange a Consent Order and Mr H asked for the detail of this to be sent to him on 16 January. But it's clear Moneybarn made a mistake and that information wasn't sent. They did rectify the situation in March when they provided Mr H with the option again and explained the process to him. But I agree this is an area in which Moneybarn need to provide some compensation for the error they made.

### *false advice and guidance and they didn't accept reasonable solutions*

I don't think that's a fair allegation as I've not seen evidence that what Moneybarn told Mr H was wrong. I think it's clear they tried to help him as his account first fell into arrears a year and a half before the car was eventually repossessed.

*taking account of vulnerability*

It appears that the first time Moneybarn were aware of Mr H's health concerns was in December 2017. I can understand that the collection process and the repossession process must have been very difficult for Mr H. But I've not seen evidence that Moneybarn handled those, admittedly unwelcome and distressing processes, in an insensitive or discourteous manner and I don't think there's evidence they showed contempt to Mr H.

*the car blocked Mr H's driveway*

I understand Mr H's frustration that the car wasn't collected quickly enough. He'd been told he wasn't allowed to drive it and it must have been frustrating and inconvenient to have it block his path. I understand the business dispute whether Mr H could've called to arrange and earlier collection but I don't think that takes account of Mr H's vulnerability at that time. It would have been difficult and stressful to make arrangements and I think it's fair to take that into account. I therefore agree with the adjudicator that some compensation is due for the trouble and upset that was caused.

*the price achieved at auction*

The terms of Mr H's finance agreement explained that if it was necessary to terminate the agreement and repossess the car they would "*sell the goods at public auction*". So I don't think Moneybarn did anything wrong when they did so.

It's very unfortunate that the car didn't achieve a higher sales price but I can't say Moneybarn have been unreasonable in accepting that price and I think their approach has been fair in the circumstances.

*compensation*

It's clear that Moneybarn could've done things a little better here. They didn't provide information about the Consent Order when it was initially requested and they didn't collect the car promptly and this caused some inconvenience. I note Mr H also complains about the collection agents entering his property to retrieve the car too as the car was on his driveway. I think the collection agents, acting on behalf of Moneybarn, could've been a little more understanding of Mr H's vulnerabilities given that they were at this time aware of them. I think that overall, some compensation is due for the distress and inconvenience that's been caused by these issues and in the circumstances I agree with the adjudicator that £300 would be fair and reasonable.

**my final decision**

For the reasons I've given above I uphold this complaint in part and tell Moneybarn No. 1 Limited to pay Mr H £300 to compensate him for the distress and inconvenience their actions have caused him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 14 September 2019.

Phil McMahon  
**ombudsman**