

complaint

Mrs W complains that Moneybarn No. 1 Limited ("Moneybarn") have been unreasonable terminating her finance agreement and she's unhappy with the court charges she's being asked to pay.

background

In September 2016 Mrs W entered into a conditional sale agreement with Moneybarn to fund a used vehicle. But when Mrs W ran in to money difficulties Moneybarn decided to terminate her agreement in March 2018. Mrs W has since entered into a consent order with them. This court order allows Moneybarn to repossess the vehicle if a payment is missed.

She complains that they pressured her in to entering a consent order and incurring court costs and she doesn't think they treated her fairly as they terminated her agreement when they could've waited a little longer for her circumstances to improve. She explained that she wasn't far off having paid half of the amount due and at that point she could have voluntarily terminated the agreement: a solution that she thought would be more favourable.

Moneybarn thought they'd done all that could reasonably have been expected of them. They explained that they'd first issued a default notice in December 2017 and the income and expenditure information Mrs W provided them with suggested she didn't have sufficient disposable income to afford repayments. They'd suggested formulating an exit plan at that point but had eventually agreed to give her a two month "*breathing space*" in the hope that her financial circumstances would improve. But they didn't and they therefore issued a further default notice in February 2018. They said that when they were unable to establish Mrs W had sufficient disposable income and when they were unable to contact her, they eventually terminated the agreement on 13 March 2018. But since then they have had further discussions with Mrs W and have entered in to a consent order to allow her to keep the car if she maintains payments. They were confident that they'd terminated the agreement correctly and had been sufficiently communicative and flexible.

But Mrs W didn't agree and she referred her complaint to this service. Our investigator looked at the evidence but she agreed with Moneybarn. She thought they'd done all they could to come to some sort of arrangement that would help Mrs W. She noted that Mrs W appeared to have provided evidence in February that she had disposable income but she noted that Moneybarn had tried to contact her and that, when they failed to do so, they waited for two weeks before terminating the contract. She didn't think she could reasonably suggest Mrs W had been pressured in to accepting the consent order as she noted that she could have handed the car back instead. And she also didn't think it was reasonable to suggest Moneybarn had to wait until Mrs W was able to voluntarily terminate the deal.

But Mrs W disagreed and she 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 know it will disappoint Mrs W but I agree with the investigator's view and for similar reasons.

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.

When Moneybarn were told about Mrs W's financial problems I would've expected them to be positive and supportive and I think they were.

I can see that in December 2017 they tried to discuss exit strategies with Mrs W when she was three months in arrears and appeared not to be in a position to pay. They were rightly reluctant to extend the agreement, and Mrs W's indebtedness, any further. But they did listen to Mrs W and tried to be sympathetic by giving her a few months grace to get back on terms.

But when payments weren't received to reduce the arrears they were within their rights to terminate the agreement. The conditional sale agreement Mrs W was bound by allowed them to do so. It said they could terminate the agreement if *any* payment was missed and here Mrs W had missed three.

They were also prepared to enter in to a consent order to allow Mrs W to continue in the car on certain provisos and they didn't have to do that either. Neither did Mrs W and as the investigator has noted, she did have the option to walk away from the deal and hand the car back. So I don't think it would be reasonable to suggest she's been pressured in to proceeding with the consent order and as it's the court that makes charges for these matters it's not possible for Moneybarn to control this.

I can understand that Mrs W has had a difficult time here but I'm afraid I don't think Moneybarn has done anything wrong. They appear to have been sympathetic and supportive but they have a right to recover the money they've lent and it wouldn't be reasonable for me to ask them to take any additional action.

my final decision

For the reasons I've given above I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 21 January 2019.

Phil McMahon
ombudsman