

## **complaint**

Miss M complains that Moneybarn No. 1 Limited has defaulted her account, repossessed her car and terminated her conditional sale agreement. And she complains about the service that she's received from Moneybarn.

## **background**

A used car was supplied to Miss M under a conditional sale agreement with Moneybarn that she signed in November 2014. The agreement had a term of four years and Miss M agreed to make monthly payments of £241.53. She contacted Moneybarn about a missed payment in 2016 and a reduced repayment arrangement was set up – and it was reviewed every three months. Miss M missed the payment that was due under the reduced repayment arrangement in March 2017 and then didn't make a payment until July 2017. Further reduced repayment arrangements were agreed – the last of which ended in March 2018. Moneybarn tried to contact Miss M and, when it was unable to do so, it issued a default notice on her account. She contacted Moneybarn in April 2018 and it recommended that she should obtain independent financial advice and call it back three days later. She didn't do that so Moneybarn terminated her agreement and obtained a court order in June 2018 for repossession of the car. Miss M complained to Moneybarn but wasn't satisfied with its response so complained to this service.

The adjudicator didn't recommend that this complaint should be upheld. She said that she had the utmost sympathy for the situation in which Miss M found herself but she didn't think that it would be fair for her to insist that Moneybarn overturn its decision to end the agreement. She said that it was evident that the account wasn't brought up to date and that Miss M didn't seek to retain the car.

Miss M has asked for her complaint to be considered by an ombudsman. She says, in summary, that she's facing financial difficulties due to the agreement being ended unlawfully by Moneybarn and that the default on her credit report is making it hard for her to get another car - which is causing her stress.

## **my findings**

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

Miss M contacted Moneybarn in 2016 because she was unable to make her monthly payments as a result of an attachment of earnings about her council tax bill. A reduced repayment arrangement was agreed and Moneybarn sent details of it to Miss M. The reduced repayment arrangement was then reviewed by Moneybarn every three months and further reduced repayment arrangements were agreed.

A credit provider is required to respond to any financial difficulties that a customer is experiencing positively and sympathetically. When Miss M contacted Moneybarn about her financial difficulties it agreed a reduced repayment arrangement – which it reviewed regularly. So I consider that it responded to Miss M's financial difficulties positively and sympathetically.

Miss M missed the payment that was due under the reduced repayment arrangement in March 2017 and then didn't make a payment until July 2017. But Moneybarn agreed further

reduced repayment arrangements with Miss M and didn't take any other action against her about her missed payments. So I consider that it continued to respond to Miss M's financial difficulties positively and sympathetically.

The last reduced repayment arrangement ended in March 2018 and Moneybarn says that it tried to contact Miss M by post, e-mail and text – but she didn't respond to it. So it issued a default notice on her account later that month which said that further enforcement action would be taken if she didn't pay the arrears on her account and an administration fee - £875.65 in total – by a specified date in April 2018. Miss M contacted Moneybarn on the date that the payment was due and it extended the default notice by three days to allow her to obtain independent financial advice and it said that she should call it back three days later. It says that it received no contact from Miss M so it terminated her agreement. And it obtained a court order in June 2018 for repossession of the car.

I consider that Moneybarn complied with the terms of the agreement when it terminated the agreement and it obtained a court order before repossessing the car. The car was then sold at auction and the sale proceeds were deducted from the outstanding amount that remains due from Miss M. I'm not persuaded that Moneybarn unlawfully terminated the agreement – I consider that it acted fairly and reasonably in the circumstances. And I consider that the information that it's recorded on Miss M's credit file is true and accurate – so I'm not persuaded that it would be fair or reasonable for me to require it to remove that information.

Miss M has complained about the service that she's received from Moneybarn. But I'm not persuaded that there's enough evidence to show that the service that she's received from Moneybarn has fallen below a reasonably acceptable standard. It's clear that Moneybarn's representative was firm and direct when talking to Miss M about the default notice – but I'm not persuaded that she was treated rudely.

I sympathise with Miss M for the financial difficulties that she's experienced. But I'm not persuaded that there's enough evidence to show that Moneybarn has acted incorrectly in its dealings with Miss M. The agreement has been terminated and the car has been repossessed and sold. So her agreement can't be re-started. And I find that it wouldn't be fair or reasonable in these circumstances for me to require Moneybarn to pay any compensation to Miss M - or to take any other action in response to her complaint.

Moneybarn must continue to respond to Miss M's financial difficulties positively and sympathetically when taking any further action to recover from her the outstanding amount that she owes to it.

### **my final decision**

For these reasons, my decision is that I don't uphold Miss M's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 11 August 2019.

Jarrold Hastings  
**ombudsman**