

## The complaint

Mr L complains about the service he received from Moneybarn No. 1 Limited (“Moneybarn”) when he changed the date of his monthly direct debit. He says it put his account into arrears and it didn’t return his telephone calls.

## What happened

Mr T entered into a finance agreement with Moneybarn when he acquired a motorbike. Up to, and including February 2023, Mr L’s direct debit mandate collected his monthly payment on the 5<sup>th</sup> day of the month. But in February 2023, he made some enquiries about changing the collection date, before going ahead and changing it online through a self-service portal. Mr L told us:

- Soon after making the change to his account, he was notified that two payments would be taken in February 2023, so he contacted Moneybarn for an explanation;
- he was informed that he shouldn’t worry about this, as a second bill hadn’t been generated – although he’d updated his account in February, the change wouldn’t take effect until March;
- he then received notifications that he’d missed a payment, and this would affect his credit rating;
- Moneybarn admitted it had made a mistake and it offered him £50 towards the arrears and it set up a new payment plan.

Mr L says he’s unhappy with the service provided by Moneybarn; he wants the remaining arrears removing and he wants to be compensated for the inconvenience and worry Moneybarn has caused him.

Moneybarn upheld this complaint. It issued its *final response letter* on 14 February 2023 and acknowledged that its representative had given Mr L incorrect information when he contacted it about changing the date of his monthly direct debit. Moneybarn explained how its monthly payments are calculated and it confirmed that although he’d changed the date of his direct debit, Mr L did need to make two payments in February 2023, and by making only one payment that month, he was in arrears on his account.

Moneybarn said it would amend Mr L’s credit file accordingly and it explained he should allow 6-8 weeks for this to be reflected on his credit report. And it refunded him £50 for the distress and inconvenience it had caused. It applied this £50 to his account and reduced the arrears by this amount.

Moneybarn told this Service that Mr L raised the same complaint again in January 2024 when he complained about the arrears on his finance agreement from February 2023. It said it had inadvertently set up new complaints with new complaint references, but that it had written to Mr L to explain that his complaint had already been investigated and closed in February 2023. And Moneybarn told Mr L that it wouldn’t re-investigate the same complaint.

Moneybarn’s correspondence to Mr L explained that it was legally obliged to inform its customers about the arrears on their account, and it apologised if Mr L felt this was

inappropriate or distressing. But it restated that the arrears being complained about were the same arrears that had been complained about and investigated the previous year. Because of this, Moneybarn did not uphold this second complaint.

Unhappy with Moneybarn's response, Mr L brought his complaint to this Service. He told us how stressful and emotionally taxing the whole matter had been, and how he wasn't happy that Moneybarn refused to re-investigate and look again at his original complaint. Mr L also complained about Moneybarn's failure to return his telephone call and he talked about the significant time and effort he'd invested "*into following up on something that should have been handled efficiently and professionally by Moneybarn*".

Moneybarn said it didn't consent to our Service considering the original complaint points. It said the referral had been made more than six months after the date of its *final response letter*. This Service was also advised that Moneybarn had paid £25 to Mr L in recognition of the distress that it caused him when it didn't call him back.

Our investigator looked at this complaint and said she didn't think the initial complaint points were things we could look at because a complaint about them wasn't referred to us within six months of Moneybarn's' final response. And she said that she thought the apology and £25 compensation payment for the failure to telephone Mr L was appropriate and in line with what this Service would recommend.

Mr L disagreed so the complaint comes to me to decide.

### **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.

Having taken everything into consideration, I've reached the same conclusions as our investigator, and I'll explain why.

#### *The arrears*

Mr L remains unhappy with how Moneybarn has dealt with his complaint about the arrears that arose on his account following his decision to change the date of his monthly direct debit. Mr L first raised this with Moneybarn in February 2023, and Moneybarn issued its *Final Response* on this matter on 29 March 2023.

I can see that Mr L complained again about this matter and Moneybarn initially registered each of his complaints on its systems as a *new* complaint, before determining that the subsequent complaints were about the same subject as that raised initially. And it said that its *Final Response* from March 2023 dealt with this.

I can't look at all the complaints referred to me. The rules applying to this Service say that – where a business doesn't agree – I can't look into a complaint if it's been referred to us more than six months after the business sends the consumer its final response letter, telling them they can refer their complaint to us. This is Dispute Resolution rule 2.8.2R(1) – and it can be found online in the Financial Conduct Authority's handbook of rules and guidance.

I should explain that the term "*final response*" has been given a specific meaning in the DISP rules. A final response is a written response from the business which does the following:

*"1(a) accepts the complaint, and, where appropriate, offers redress; or  
2(b) offers redress without accepting the complaint; or*

*3(c) rejects the complaint and gives reasons for doing so;*

*and which informs the complainant that, if he remains dissatisfied with the firm's response, he may now refer his complaint to the Financial Ombudsman Service and must do so within six months".*

Moneybarn issued its final response on 29 March 2023, so Mr L had until 23 September 2023 to refer this matter to this Service. But he didn't do so until January this year, so I conclude the complaint was referred to us out of time under the rules I have to apply.

I can look into complaints referred outside the usual time limits where I'm satisfied the failure to comply with the time limits was because of exceptional circumstances. This means circumstances which would have *prevented* Mr L from referring his complaint in time had he chosen to do so. but I don't think that exceptional circumstances apply here. I believe he could have referred his complaint to us by 23 September 2023.

It follows that I don't think we have any power to consider Mr L's complaint about the arrears resulting from the change in date of his monthly direct debit.

#### *Failed call-back*

There's a disagreement between parties about how this happened and on how many occasions – they simply do not agree. Mr L says Moneybarn failed to return his calls on a number of occasions over several months. And he says this calls into question its integrity and the transparency of its practices.

Moneybarn acknowledges there was one instance in November 2023 where Mr L requested a call-back, but no call was made. It says, however, that before a telephone call could be arranged, it received a notification from Mr L – just 2 days later – that he no longer required it to call him back.

I've seen no evidence from either party of *multiple* failed call-backs, although Moneybarn acknowledges, with an explanation, that it did happen on one occasion. I've been advised that it has apologised for the dis-satisfaction it caused in connection with this, and it's also paid Mr L £25 in recognition of this.

Taking all this into consideration and balancing the testimony of both Mr L and Moneybarn, I'm satisfied that £25 compensation is fair and reasonable in the circumstances of this complaint.

I know Mr L will be disappointed with the outcome of his complaint, but I hope he understands why I've reached the conclusions that I have.

#### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 18 June 2024.

Andrew Macnamara  
**Ombudsman**