

The complaint

Mr L has complained Oodle Financial Services Limited, trading as Oodle Car Finance, is holding him liable for the payment remaining from a hire purchase agreement which he never took out.

What happened

In April 2019 a hire purchase agreement with Oodle Car Finance was taken out for a car in Mr L's name. A car was part-exchanged and credit for £15,585 was taken out. Two initial direct debit payments were taken from Mr L's current account.

In July 2019 Mr L contacted Oodle to say that he'd never taken out the credit agreement and he was a victim of fraud (carried out by his son). Late that month the car was impounded as it was being driven by Mr L's son (who I'll call Mr L2) without insurance.

Over the next few months Mr L was in regular contact with Oodle. They initially confirmed Mr L had been a victim of fraud. They then said otherwise. They believed the evidence from the dealer indicated Mr L was present when the car was bought. The car was repossessed and the agreement terminated in October 2019. Oodle continued to ask Mr L to pay what was left owing on the agreement.

Mr L was unhappy with this outcome and brought his complaint to our service.

An investigator initially believed the evidence showed Mr L hadn't been in the dealership. He asked Oodle to stop asking Mr L for any repayment as well as giving him £300 in compensation. Oodle disagreed and provided further evidence to show what the dealer had been reviewing when selling the car to Mr L.

A further investigator took over the complaint. She believed it was most likely Mr L had been at the dealers originally. Therefore overall he had taken out the agreement.

Mr L objected vociferously to this outcome. This ran contrary to his testimony over the last couple of years as he denied ever being at the dealers. He pointed out again to the physical differences between himself and Mr L2.

Mr L's complaint has been referred to an ombudsman for final decision.

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 done so, I've reached a similar outcome to our second investigator. I'll explain why.

The first thing to say is that I've read Mr L's powerful testimony about his relationship with Mr L2 and his own mental health issues. I've certainly taken these aspects into my consideration.

I've also reviewed the two views dated 27 July 2020 and 15 July 2021. These contained a great deal of detail about what happened. I don't intend to repeat all this detail but I will refer to those aspects that impact the decision I'm making.

There's no dispute that the email address and mobile phone numbers originally provided to the dealership aren't those that Mr L provided to us. From what I've seen they may well have belonged to Mr L2. That does suggest that the hire purchase agreement was emailed to Mr L2 and most likely signed by him.

But I have to balance that aspect with what I'd expect to have happened at the dealership. I know Mr L is adamant that he was never there. But I've seen the dealership was able to view his driving license (the original rather than a copy I believe) and would have been obliged to match this with the person in front of them agreeing to purchase a car.

I can also see that a car – subject to credit financing in Mr L's name – was traded in. I can't easily see any of this being done without Mr L being present. I also know the vehicle registration for the new car was completed in Mr L's name.

I know it's not impossible for dealerships to behave in ways that don't match their obligations but I'd have thought the risk of Mr L spotting an agreement had been taken out fraudulently (if he'd never been at the dealership) too high a risk for this to be done.

There's been a lot of reliance by Oodle on the fact that Mr L admitted he'd previously taken out a credit agreement on a car for his son. They seem to suggest this means that it's inevitable that this agreement was also taken out by him deliberately whilst allowing Mr L2 to take ownership of the car. I don't actually agree with this interpretation as a general thesis. However I do believe Mr L took out the agreement in this case.

I'm aware Mr L has a very difficult relationship with Mr L2. I wouldn't be surprised if there was some emotional abuse or even intimidation involved. However taking that into account, Mr L has told us Mr L2 repaid him in cash for the first two direct debits he paid for this agreement. I can see the original agreement was taken out at a very difficult time for Mr L. But overall I believe Mr L was present and aware that the agreement was being taken out in his name, even though he wasn't expecting to ever use the car.

I know Mr L will be distressed by this decision as he's being expected to repay what is owed on the credit agreement. I'm sure Oodle will be aware of their obligations to ensure any repayment agreement is affordable.

My final decision

For the reasons I've given, my final decision is not to uphold Mr L's complaint against Oodle Financial Services Limited, trading as Oodle Car Finance.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 2 December 2021.

Sandra Quinn
Ombudsman