

The complaint

Mr F is unhappy with how Oodle Financial Services Limited dealt with his request for assistance as a result of the Coronavirus (Covid-19) pandemic.

What happened

On 24 September 2019, Mr F was supplied with a used car through a hire purchase agreement with Oodle. The agreement was for £18,995 over 60 months; with an initial payment of £516.96, 58 monthly repayments of £466.96, and a final payment of £516.96.

Mr F cancelled his direct debit on 8 April 2020 and, because of this, the payment due on 17 April 2020 wasn't made. On 21 April 2020, Oodle called Mr F about the situation. Mr F explained that his income had been affected by the Covid-19 pandemic, so he was invoking a three-month payment holiday he said he was legally entitled to as per the government guidelines.

Oodle said they would put a one-month payment holiday in place, and they asked Mr F to complete an online form explaining how he'd been affected by Covid-19, and to give some income and expenditure details. They said that, once he'd done this, they could extend the payment holiday to three-months. Or offer Mr F any other assistance he may require. Mr F agreed to complete the form.

On 27 April 2020 the Financial Conduct Authority (FCA) issued guidance to financial businesses about how they should deal with requests like that from Mr F.

Mr F didn't complete the online form, and the payment due on 17 May 2020 also wasn't paid. Because the online form hadn't been completed, and because the payment holiday hadn't been extended past the April payment, Oodle classed Mr F's account as being in arrears.

Oodle spoke to Mr F on 23 May 2020, and twice on 13 June 2020, about the missing online form. And they explained they could extend the payment holiday to three months, when Mr F completed the form. But Mr F refused to complete the form. He said it was *"ridiculous [and] a complete waste of time"*. And he said he hadn't been asked to do something similar by another financial businesses he had dealings with; so he thought that Oodle shouldn't be asking their customers to complete the form.

Oodle explained to Mr F that, without a payment holiday in place, any missed payments would be classed as arrears, and could affect his credit report. They also explained that, once two payments were missed, the account would be transferred to a specialist debt collection agency. Mr F didn't agree with this, and he considered that mentioning arrears was *"adding pressure"* to people in an already difficult situation. He also considered that Oodle were acting illegally by recording missed payments on his credit file as the government guidance meant he was entitled to a three-month payment holiday.

Because Mr F didn't complete the online form, Oodle classed the missing payments as arrears, reporting this to the credit reference agencies. And, once two payments had been missed, they transferred Mr F's account to the debt collection agency.

Mr F was unhappy that Oodle refused to grant him a payment holiday, and that his account was transferred to a debt collection agency. So he brought his complaint to the Financial Ombudsman Service for investigation.

Our investigator said it was up to Oodle to put processes in place for granting a payment holiday, so he didn't think they'd done anything wrong by asking Mr F to complete an online form. Even if other financial businesses didn't require Mr F to do something similar.

The investigator thought that Oodle had acted reasonably by explaining how any missed payments would be classed, if no payment arrangement was in place, and he didn't think telling Mr F this was threatening behaviour. He said that Mr F could've completed the form to get the three-months payment holiday but, as he didn't do so, and because he didn't resume making payments after the one-month payment holiday granted in April 2020; then Oodle had acted reasonably by moving his account to a debt collection agency. So he didn't think they needed to do anything more.

Mr F didn't agree with the investigator. He said the online form was completed verbally with Oodle during the first call – they had all the information they needed but they rejected his request for a three-month payment holiday. Because Mr F didn't agree, this has been passed to me to make a final decision.

Mr F has also asked that, when making my decision, I consider all of the facts and evidence, including all of the calls he's subsequently had with the debt collection agency.

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 the same overall conclusions as the investigator, and for broadly the same reasons. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome.

In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and (if appropriate) what I consider was good industry practice at the time. Mr F was supplied with a car under a hire purchase agreement. This is a regulated consumer credit agreement which means we're able to look into complaints about it.

Before I address this matter, Mr F has said that it's not possible for me to fairly decide on his complaint without first listening to all of the calls he's had with the debt collection agency. But his complaint relates to the actions of Oodle before they transferred his account to the debt collection agency. So I don't consider what the debt collection agency may or may not have said to be relevant – what is relevant is what Oodle actually did or didn't say or do when considering granting Mr F a three-month payment holiday.

Because of this, I'm satisfied I have sufficient information to make my decision, and I don't need to listen to any of the calls between Mr F and the debt collection agency. But I have listened to the calls that took place between Mr F and Oodle.

As stated above, the FCA issued temporary guidance, that came into effect on 27 April 2020, about customers who were faced with payment difficulties as a result of Covid-19. This guidance says a firm providing motor finance agreements should grant a payment deferral for *“3 months unless the firm determines (acting reasonably) that it is obviously not in the customer’s interest to do so.”*

Mr F believes there shouldn’t be any *“form or filtering process when the govt made clear the right of payment holiday.”* But the FCA made it clear that a payment holiday could be refused if it was obviously not in the customer’s best interest to grant one. I wouldn’t expect Oodle to assume things, or to guess what may or may not be best for an individual given their specific circumstances; so for Oodle to reasonably determine whether a payment holiday was obviously not in a customer’s interests they would need to ask relevant and pertinent questions. And Oodle chose to do this through an online form.

I’ve seen the questions asked in the form and these relate to (a) information about the car being financed i.e. is it currently taxed and insured; (b) information about how the customer’s income and health have been impacted by Covid-19, and how long this is expected to last; (c) what type of support the customer wants from Oodle i.e. is this more than just a temporary payment holiday; and (d) some basic information about the customer’s current financial circumstances – an income and expenditure section, which would be needed to assess any additional support Oodle could give. I don’t consider any of these questions to be excessive or irrelevant.

Mr F gave some information to Oodle during the call on 21 April 2020. But this wasn’t all of the information they needed. And Oodle put a process in place that an online form needed to be completed. It isn’t the role of the Financial Ombudsman Service to decide what processes a financial business should have in place. This is a decision Oodle can make in line with the guidance issued by the FCA. So I don’t think Oodle did anything wrong by asking Mr F to complete the online form, even if other financial businesses Mr F had dealings with didn’t put a similar policy in place.

Oodle made it clear to Mr F why they needed the online form completed. And Mr F explained that, while he was able to complete the form, and didn’t need any help or assistance to do so, he wasn’t going to complete the form. Oodle also made it clear that, by not completing the form, they would class any missed payments as arrears. They also explained to Mr F what this would mean and at what point his account would be transferred to a debt collection agency. And I’ve not seen anything to show me that Oodle didn’t follow the processes they’d explained to Mr F.

Given the above, I’m satisfied that Oodle acted reasonably in the circumstances, and I won’t be asking them to do anything more.

My final decision

For the reasons explained, I don’t uphold Mr F’s complaint about Oodle Financial Services Limited.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr F to accept or reject my decision before 4 November 2021.

Andrew Burford
Ombudsman