

The complaint

Mr S complains that Oodle Financial Services Limited (“Oodle”) didn’t allow him to withdraw from a finance agreement he has with them.

What happened

The details of this complaint are well known to both parties, so I won’t repeat them again here. Instead I’ll focus on giving my reasons for my 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.

I agree with the investigator’s opinion. I’ll explain why.

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.

Mr S acquired his car under a hire purchase agreement. This is a regulated consumer credit agreement and as a result our service is able to look into complaints about it.

The terms of Mr S’s finance agreement allowed him to withdraw from it before the end of 14 days beginning with the day after he received a copy of the executed agreement. So, he had until 5 December 2021 to withdraw.

I’ve listened to a call Mr S had with Oodle on 2 December 2021 and I’ve seen a letter he sent them that was dated the same day. In the call he asked to terminate his finance agreement and he did the same in the letter.

So, I think Oodle should have allowed him to end his finance agreement with them.

In those circumstances, clause 9 of his finance agreement explained that he’d need to repay the credit provided plus interest of £4.86 per day.

I think the problem here appears to be that Oodle confused Mr S’s request to end his finance agreement, with a simultaneous request to invoke his short term right to reject the car *and* end the finance agreement because he *also* said it was of unsatisfactory quality.

If there had been evidence of the car having faults it may have been possible for Mr S to reject the car and to terminate his finance agreement under the provisions of the Consumer Rights Act (2015). But there’s been no expert evidence to support Mr S’s suggestion there

was anything wrong with the car, so I don't think Oodle were wrong to reject that element of Mr S's complaint.

But I do think they ought to have allowed Mr S to invoke his right to withdraw from the finance agreement as he made that request within the 14 day cooling off period.

Putting things right

Oodle should therefore end the finance agreement.

Mr S says if he was allowed to withdraw from the agreement on 2 December 2021 he would have done so as a family member would have repaid the credit. I think that would likely have been the case as I can see Mr S's family member subsequently took over the payments and drove the car and continued to offer to repay the credit. So, I think Oodle should compensate Mr S for the distress and inconvenience he's experienced as a result of their mistake.

I think it will have been distressing for Mr S to have to assert his position on several occasions and to find that Oodle didn't listen to what he wanted to do. It was clearly a stressful period for Mr S, and I was sorry hear about the problems Mr S's representative has detailed about his wellbeing during that time. In the circumstances, I think Oodle should pay Mr S £300 to compensate him for the distress and inconvenience caused.

It's unfortunate that Oodle didn't accept Mr S's request to withdraw when he made it, but that doesn't detract from the fact that the car was used until it was repossessed in May 2022. The car travelled a little over average mileage in that time and its value will have depreciated as a result. I think it's fair that Mr S pays for that use and I therefore think Oodle should be able to charge six monthly finance instalments. They'll need to arrange an affordable repayment plan with Mr S to recover that money.

Oodle will also need to remove any adverse reports they may have made to Mr S's credit file in relation to this issue.

I can see that Mr S's representative has suggested the finance should never have been approved for Mr S and that his vulnerability was exploited. That's not something that Oodle have yet been asked to consider and it's therefore not something this service can look at until they have. If Mr S thinks there is cause to complain about that he'll need to refer that complaint to Oodle in the first instance.

My final decision

For the reasons I've given above I uphold this complaint and tell Oodle Financial Services Limited to:

- End the finance agreement if they haven't already done so.
- Agree an affordable payment plan with Mr S to pay for the six months of usage he had from the car. That payment being equivalent to six monthly finance instalments.
- Pay Mr S £300 to compensate him for the distress and inconvenience caused.
- Remove any adverse reports they may have made to Mr S's credit file as a result of these issues.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 31 October 2022.

Phillip McMahon
Ombudsman