

The complaint

Mr D is unhappy how Oodle Financial Services Limited trading as Oodle Car Finance handled his request for help following the Covid-19 pandemic.

What happened

In June 2019, Mr D acquired a car under a hire purchase agreement with Oodle. The agreement was for 60 months, with an initial payment of £565.63, 58 monthly repayments of £515.63 and a final payment of £565.63.

In March 2020 Mr D contacted Oodle as he had been furloughed from work because of the Covid-19 pandemic and he was experiencing some financial difficulties as a result. A series of payment deferrals were put in place for Mr D – and how Oodle dealt with these has already been looked at by our service and a final decision has previously been issued.

In early 2022 Mr D was working again. He got in touch with Oodle and requested to spread the payment deferrals over the remaining term of the agreement. Oodle said this wasn't possible – they said the arrears would need to be paid over a shorter period.

Mr D wasn't happy with this and complained to Oodle. They sent Mr D a final response letter explaining the same as he had been told by their collections department. They could only arrange for the arrears to be paid over a shorter period than Mr D would like.

Mr D brought his complaint to our service. Our investigator upheld it. He said the Financial Conduct Authority had issued guidance in July 2020 in response to the Covid-19 pandemic. This guidance explained that businesses should allow the deferred payments to be spread over the remaining term of the agreement if it wasn't possible for them to be paid immediately and in full. Our investigator said he didn't think Oodle had adhered to this guidance, and he asked them to allow Mr D to repay his deferred payments over the remainder of his agreement term. He also asked Oodle to remove any adverse information from Mr D's credit file that related to the deferred payments. Finally, he asked Oodle to pay Mr D £200 compensation for the upset he'd been caused by Oodle's communication with him.

Oodle accepted our investigator's opinion in full. Mr D accepted it in part. He was satisfied that he could now pay his deferred payments across the remaining term of his agreement. But he felt he should receive more compensation – he mentioned an amount of £2,000. He also said he had been charged increased interest on subsequent credit, and he would find it difficult to get a mortgage, because of the information recorded on his credit file by Oodle.

As Mr D didn't accept, it's been passed 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.

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 D was supplied with the car under a hire purchase agreement. As this is a regulated consumer credit agreement, our service can look into complaints about it.

Both parties have accepted our investigator's recommendation for the payment deferrals to be spread across the remaining term of the agreement and, for completeness' sake, I also think that's a fair way to resolve that aspect of the complaint. What's left in dispute is the amount of compensation Mr D should receive. I've decided that £200 is reasonable in this case. I'll explain why.

In Mr D's submissions to our service explaining why he feels he should be awarded more compensation, he's made it clear that he feels the award in this case is 'miniscule' compared to the impact Oodle's actions have had on him. He's requested a significant amount of compensation as a result. I want to make it clear to Mr D that it isn't our role to punish businesses, nor are we the regulator.

Oodle have accepted our investigator's opinion and have accepted they initially made a mistake by not agreeing to Mr D's request to spread his arrears across the remaining term of the agreement. Having looked through the account notes provided by Oodle it's clear there was a lot of communication between Mr D and Oodle to try and sort this (and other) matters out. And, at times, Oodle did give Mr D incorrect information that led to him having to get back in contact with them. But Mr D hasn't provided enough evidence for me to believe that an increase in the compensation amount is warranted in this case. I'm satisfied that £200 is a reasonable amount for Oodle to pay to reflect the extended time this matter took to reach a resolution and the inconvenience to Mr D of numerous calls and emails to Oodle to try and move things forward.

Mr D has also said that he has had to pay increased interest charges on subsequent credit, and that his ability to get a mortgage in future will, more than likely, be impacted by Oodle's reporting on his credit file. Here, I have to say that lenders base their decisions to lend on several criteria. Mr D hasn't said specifically why he was required to accept credit at higher interest rates. Our investigator has also asked Mr D to provide some further evidence from the lenders to explain the specific reasons, and he hasn't done that. This means that there isn't anything to show me that any incorrect information reported by Oodle is the *only* reason Mr D was offered the credit at a higher rate of interest. So, I haven't seen enough to persuade me that Mr D has lost out financially because of Oodle's error. Similarly, Mr D has said that his ability to obtain a mortgage has been ended by Oodle. But I haven't seen anything to persuade me of this, so won't be considering it further.

I appreciate my decision might be disappointing to Mr D, but I won't be asking Oodle to increase the compensation award recommended by our investigator.

My final decision

For the reasons above, I uphold this complaint. Oodle Financial Services Limited trading as Oodle Car Finance must:

- Allow Mr D to repay all his deferred payments across the remaining term of his agreement.
- Remove any adverse information in relation to the deferred payments from Mr D's credit file.
- Pay Mr D £200 compensation for the inconvenience caused to him trying to remedy this situation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 31 August 2023.

Kevin Parmenter
Ombudsman