

The complaint

Miss O has complained that a car she acquired using a hire-purchase agreement with Oodle Financial Services Limited (“Oodle”) was misrepresented to her, as she was told it had had one previous owner when in fact it had had four. She was also unhappy that she didn’t receive the logbook or service history when she acquired the car.

What happened

Miss O acquired a used Peugeot in July 2022, using a hire purchase agreement with Oodle. The car cost £6,000, all of which Miss O borrowed over a term of 60 months. The monthly repayment was £140.20. The car was nearly eight years old at the point of supply, and the mileage was 73,359. The selling dealership arranged the finance through a broker, which in turn arranged the hire-purchase agreement with Oodle.

Miss O said she had had some problems with the car shortly after she acquired it, although I don’t have full details about what these were. She complained to the broker about the car in July 2023, having also discovered that the car had had four previous owners, rather than the one that had been stated to her. She wanted to reject the car.

Miss O also complained about the misrepresentation to Oodle in August 2023. Oodle said it didn’t uphold the complaint, although I note that its final response letter was focused on the quality of the car rather than the issue of the number of owners.

Miss O was unhappy with this, so she brought her complaint to this service. Our investigator looked into the complaint and thought it should be upheld. Oodle disagreed and asked for the complaint to be reviewed by an ombudsman.

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’ve decided to uphold Miss O’s complaint. I’ll explain why.

Miss O sent in a copy of the V5C document (logbook), stating that there were four previous owners, along with a copy of the original advertisement for the car which clearly states one owner. She also sent in a copy of the loan agreement and Oodle’s final response letter. Oodle sent in copies of the sales documents and notes of its contact with Miss O.

Miss O acquired her car under a hire purchase agreement. This is a regulated consumer credit agreement and therefore this service is able to look into complaints about it. I have also taken into account s.56 of the Consumer Credit Act (1974), which explains that finance providers are liable for what they say and for what is said by a credit broker or a supplier before the consumer enters into the credit agreement.

If Miss O was given a false statement of fact or law, and if that false statement was a significant reason why she entered into the agreement, I may think the agreement – or the

car - had been misrepresented to her. There may also be a misrepresentation by omission – that is, a failure to disclose something material to Miss O.

As I noted above, Miss O acquired the car in July 2022. The advertisement clearly states one previous owner, and it has not been disputed that this was what Miss O was led to believe when she made the decision to acquire the car. Miss O said the broker also mentioned that the vehicle was supplied as having one owner, and that this was supported by its HPI (vehicle history) checks. Miss O has said that she was not given the V5C - which would have stated the number of previous owners - at the point of supply, and she had to complete another form (a V62) to request it. Her testimony is supported by the reference to a V62 on the sales invoice.

From this I am satisfied that there was a false statement of fact made to Miss O in relation to the number of previous owners.

Miss O told us that it was important to her that the car had only had one previous owner, as the research she had carried out suggested that several previous owners could decrease the car's value. She further said that she wouldn't have acquired the car had she known that it had had four previous owners rather than the one that was stated.

My own review of information on the internet also suggests that a car's value can be affected by the number of previous owners (amongst other things) and I've no reason to doubt Miss O's testimony that it was an important issue and that she wouldn't have acquired the car had she known it had had four owners rather than one. So I'm also satisfied that the false statement was a significant reason why she entered into the agreement.

Oodle argued that Miss O ought reasonably to have complained sooner than she did about all this. We asked Miss O about it, and she made a number of points in response.

As I noted above, the V5C was not provided at the point of sale. Miss O needed to complete a V62 form in order to get the V5C, and this was not received until around October or November 2022. When she received the V5C, her immediate focus was that her name hadn't been spelt correctly, so she dealt with that, and didn't notice the number of previous owners. She said had she noticed it, she would have complained to Oodle straight away.

Miss O also said she only found out that there were four previous owners when she looked into part-exchanging the car. The salesperson pointed it out, and also suggested that she could get a copy of the original advert. This she did, and on receipt she raised her complaint with the broker and Oodle.

I don't think it's unreasonable that Miss O didn't initially notice the number of previous owners when she received the V5C. I can see that her attention would've been drawn to the incorrect spelling of her name, and at that point she had no reason to have doubted the initial information she was given, so I don't think she would've felt the need to check. So this doesn't affect my decision.

As I noted above, under s.56 of the Consumer Credit Act (1974), finance providers are liable for what they say and for what is said by a credit broker or a supplier before the consumer enters into the credit agreement.

In summary, my conclusion is that there was a misrepresentation, in that the number of previous owners was not correctly disclosed to Miss O, and it was important information that ought reasonably to have been known or discovered prior to supply. And I am satisfied that Miss O would not have acquired the car had she known about the number of previous

owners. So I have decided to uphold this complaint, and to require Oodle to end the hire purchase agreement.

However, as Miss O has had the use of the car since she acquired it, I don't consider it fair to require Oodle to refund any of the monthly payments Miss O has made under the agreement.

Putting things right

Oodle should:

- End the agreement with nothing further to pay.
- Collect the car at no further cost to Miss O.
- Remove any adverse information about this agreement from Miss O's credit file (if any has been added).

My final decision

For the reasons given above, I have decided to uphold Miss O's complaint and to require Oodle Financial Services Limited to put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss O to accept or reject my decision before 27 February 2025.

Jan Ferrari
Ombudsman