

The complaint

Mr C complains that Oodle Financial Services Limited trading as Oodle Car Finance (“Oodle”) didn’t notify him of his options to exit a hire purchase agreement he held with them in relation to a van he acquired. Mr C said Oodle incorrectly terminated the agreement.

What happened

Mr C referred a complaint to us along with his representative. As the complainant is Mr C, for ease, I have addressed my decision to him only throughout, when referring to what he and his representative have told us.

In August 2021, Mr C acquired a used van using a hire purchase agreement with Oodle. The van was around six years old, the cash price of the van recorded on the agreement was £6,995, the agreement was for 60 months, made up of a payment of £230.78, followed by 58 regular, monthly repayments of £180.78, followed by a final payment of £230.78, which included a £50 option to purchase fee. The advance payment recorded on the agreement was £320. The mileage recorded on the vehicle invoice for the van was 84,600 miles.

Mr C’s statement of account which Oodle provided showed that in August, September and October 2022, Mr C missed his regular repayments set out in his agreement with Oodle. Several texts, calls, and emails were sent to Mr C in relation to the arrears that accrued.

In September 2022, Mr C emailed Oodle and explained that he hurt his back and he could no longer work in the trade he was in.

In October 2022, Oodle contacted Mr C and said they had been trying to speak to him about the arrears that had accrued on his account. They said they wanted to understand his circumstances and how Mr C planned to bring his account up to date. Oodle’s system notes from the time said that it was agreed that Mr C would complete an income and expenditure form so that they could consider a suitable plan to address the arrears. But they hadn’t heard back from Mr C.

Oodle said over the next few months they tried to call Mr C but were unsuccessful. From November 2022 onwards, up to December 2023, Mr C continued his monthly repayments, but failed to repay the arrears that had accrued from the three missed payments.

During this time, Mr C changed professions and he registered the van as off the road (SORN). The van was also uninsured as it wasn’t in use.

In November 2023, Oodle sent Mr C an email explaining that he had failed to meet contractual obligations as they had identified he had not arranged or paid for insurance cover as required under the terms of the agreement.

In December 2023, a Notice of Default was served to Mr C. It explained that Mr C was in breach of his agreement as they believed the van wasn’t insured, and that it should be. The letter explained that if evidence of insurance cover for the van wasn’t provided by 30 December 2023, then, among other things, they may terminate the agreement. The letter

also explained that Oodle may also file default information about Mr C to credit reference agencies.

In January 2024, Mr C received a letter of termination from Oodle. It explained that they had recently sent a Default Notice and that Mr C failed to comply with the terms of that notice. And so, they had terminated the agreement.

Mr C said he was later aware that he should have been offered options to exit his agreement when he informed Oodle of his circumstances, and so, he complained to them. Mr C felt it was unfair that he continued to make payments for so many years towards the agreement, only to not end up keeping the van. Mr C wished to have adverse information in relation to his account with Oodle removed from his credit file. Mr C also explained the impact this complaint has had on his mental health.

In February 2024, Oodle gave Mr C their first final response on the matter and explained that they thought they terminated the agreement fairly as the van was uninsured.

Oodle informed Mr C that the van had been sold and the outstanding amount left to pay on his account was £3,958.21.

Oodle provided Mr C a further final response in April 2024. In summary, they didn't uphold Mr C's complaint and they explained that since November 2022, they made several attempts to contact Mr C which were unsuccessful, and so they did not have the opportunity to discuss the account with him or to discuss options to exit the agreement.

Unhappy with Oodles responses, Mr C referred his complaint to our service in March 2024. Mr C said that Oodle didn't offer any solutions or advise on a way he could exit his agreement.

Our investigator issued her outcome on the complaint and found that Oodle didn't need to do anything further. In summary, she found that Oodle had acted fairly and in line with the terms of the agreement.

Mr C disagreed with the investigator's view. Among other things, Mr C said that he wasn't given the opportunity to discuss voluntary termination and also didn't receive the Default Notice before termination.

Our investigator issued a further view to both parties where she explained her outcome hadn't changed. She explained that she hadn't seen evidence to suggest Mr C wanted to voluntarily terminate the agreement until after it was already terminated.

As Mr C disagreed with the investigator, the complaint was 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.

Having done so, I'm not upholding this complaint and I'll explain why below.

I'm aware I have summarised events and comments made by both parties very briefly, in less detail than has been provided, largely in my own words. No discourtesy is intended by this. In addition, if there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be

able to reach what I think is a fair outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as an alternative to the courts.

Mr C complains about a van supplied under a hire purchase agreement. Entering into regulated consumer credit contracts such as this as a lender is a regulated activity, so I'm satisfied I can consider Mr C's complaint about Oodle.

What I need to consider is whether Oodle acted fairly and reasonably in terminating Mr C's agreement when they did.

In order for me to make that finding, I have considered the terms and conditions Mr C agreed to by signing the agreement he took out with Oodle.

On the fourth page of the agreement, there is a large section called "*... if you fail to pay or break the agreement*" and within that section it outlines the additional fees and charges applicable if, for example, a payment is received late.

Section A of the terms and conditions is called "*More detail about making your payments*" and it explains Mr C will need to continue to make payments until the agreement ends.

Section B of the terms and conditions is called "*Looking after the vehicle*". Under this section it explains that Mr C has to:

"... ensure the vehicle is at all times insured... under a policy that meets our requirements, which are set out below."

Section D of the terms and conditions is called "*Insuring the vehicle – our requirements*" and it explains that Mr C must pay the insurance premiums, "*... including if the vehicle is off the road*".

The agreement later goes on to say in Section F "*Our right to end the agreement*":

"*We can end this agreement, if the following things happen:*

... you do something which is in breach of any other term of the agreement..."

So, I think it is clear from the terms in what circumstances Oodle may terminate the agreement and that Mr C would need to return the car.

In this instance, Mr C was both in arrears on his agreement as well as retaining possession of the van while it was uninsured. Considering the terms of the agreement above, I'm satisfied Oodle terminated Mr C's agreement in line with its terms as van was uninsured.

Having said that, I have also considered Oodle's requirements under the Consumer Credit Act 1974 ("CCA") as Mr C believes they didn't send him a Default Notice. The CCA says under section 88 that a Default Notice is necessary before a creditor of a regulated agreement can terminate an agreement.

I can see from account notes and from copies of letters Oodle have provided that a Default Notice was sent to Mr C in December 2023. Within the Default Notice sent to Mr C, it says:

"*To remedy the breach you must arrange and pay for comprehensive insurance and provide us with evidence of the same before 30/12/2023.*"

Mr C says he didn't receive the Default Notice Oodle say they sent. I haven't seen anything to suggest Mr C didn't receive this letter by Oodle. The address Oodle had on file for Mr C was his correct address – and also, the same address our service hold for him currently. Furthermore, I'm mindful that Oodle attempted to contact Mr C by telephone on occasions but were unsuccessful in speaking with him. They also sent Mr C text messages so they could speak to him. Considering everything here, I'm satisfied Oodle did enough to inform Mr C of his breach of the agreement and how to remedy it.

A further letter was then sent to Mr C in January 2024, once the notice of default deadline had passed, informing him that the agreement had been terminated. Considering everything here, I'm satisfied the relevant Default Notice was sent to Mr C and the necessary time passed before his agreement was terminated.

Mr C also believed that Oodle didn't do enough when he informed them of his circumstances and should have been able to voluntarily terminate the agreement. I have carefully considered this, but I can't say that I agree. I say this because, when Mr C started to miss payments in 2022, Oodle made several attempts to contact Mr C about the arrears accrued. Eventually, Mr C emailed Oodle back in late September 2022, where he apologised for missing payments and explained he had hurt his back. Towards the end of the email, Mr C said:

"... I'm willing to pay a little off and resolve the matter if there is something we could get arranged somehow on the matter to get things back running smoothly again. What could be my options?? Apologies once again!!"

I have inferred from this that Mr C wanted to find a way to repay the arrears owed, rather than it suggesting he didn't want to retain the van. I'm also mindful of the number of attempts Oodle made over the course of the agreement to contact Mr C to discuss his obligations set under the agreement, but Mr C didn't respond. So, I can't fairly say that Oodle did anything wrong here.

Mr C's also says that he wasn't able to speak to a senior member at Oodle to discuss voluntary termination in January 2024 and onwards. However, at this stage, the agreement had already been terminated, so voluntarily terminating the agreement wouldn't have been an option.

Mr C wished for adverse information recorded on his credit file to be removed. Oodle are legally obliged to accurately report arrears and/or defaults to credit reference agencies. As I'm satisfied the default was applied correctly, it follows that I don't think they need to do anymore here.

My final decision

For the reasons I've explained, I don't uphold this complaint. So, I don't require Oodle Financial Services Limited trading as Oodle Car Finance to do anything more here.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 28 March 2025.

Ronesh Amin
Ombudsman