

## **The complaint**

Mrs A complains that Oodle Financial Services Limited (Oodle) didn't explain the voluntary termination process to her properly, and that she was persuaded to terminate her agreement when she wouldn't otherwise have chosen to do so.

## **What happened**

I issued my provisional decision on this complaint on October 2024. An extract from that provisional decision is set out below.

*Mrs A took receipt of a car and financed the deal through an agreement with Oodle. When she experienced some financial difficulties in 2023, she contacted Oodle for advice about how to return the car without incurring too much cost and without there being an impact on her credit file.*

*Oodle explained that there were several options available to Mrs A. Mrs A complains that they didn't explain those options properly to her and that if they had she wouldn't have chosen to voluntarily terminate her agreement.*

*Oodle didn't agree. They said they had provided adequate advice. Mrs A referred her complaint to this service, but our investigator agreed with Oodle.*

*Mrs A was still dissatisfied. She asked for a decision by an ombudsman.*

## **What I've provisionally 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 think Oodle could have communicated better here, and I think they should pay some compensation to Mrs A as a result. But I don't think the decision to voluntarily terminate the agreement would have changed if the advice had been any better, so the redress I'm expecting to order is limited. 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.*

*Mrs A acquired her car under a regulated consumer credit agreement and as a result our service is able to look into complaints about it.*

## **Written communication**

*I think the letters/emails that Oodle sent did explain Mrs A's options sufficiently. They explained that Mrs A could VT her agreement and that:*

*'Voluntary Termination is a way for you to end your agreement early by returning the vehicle to us. Under this option, you will be liable (have the responsibility) to pay 50% of the total amount payable for the vehicle under your agreement.*

*[...] If you have paid less than 50% of the total amount payable for the vehicle under your agreement you can hand the vehicle back to us, but you will have to pay your VT liability – this is the difference between what you have paid already and 50% of the agreement.'*

*They also explained in letters that Mrs A could Voluntarily Surrender (VS) her agreement and that if she were to do that they would collect and sell the car, and the proceeds would be used to offset the balance of the agreement. And the letters Oodle sent also covered some other options such as part exchange and selling the car herself.*

*The written communication was comprehensive, and accurate, and Mrs A's representative confirmed on subsequent telephone calls that he/they had received it and read it.*

### **The telephone conversations**

*I've listened to the call Mrs A had with Oodle on 15 September 2023 when Oodle explained the options Mrs A had and answered some of her questions. In the main I think the agent was very helpful and I think in Mrs A's circumstances he was right to focus on VT as the best way for her to return the car and minimise the impact. However, when explaining the VT process, he was wrong to advise Mrs A that her car would be sold, and the proceeds would be used to offset the balance due on her agreement. That was not the case. Mrs A simply had to pay about £4,300, in order to reach the point where she had paid 50% of the sum due under the agreement. At that point she would not have to pay anything further, but the proceeds of the car sale would go to Oodle.*

*When Mrs A's son called on 26 October 2023 to set up the VT, he was also given misleading information. That agent concurred with advice given by the call handler on the 15 September call and agreed that Oodle would be able to set up an affordable payment plan with Mrs A to pay off approximately £4,300 she would owe to fund the 50% target. But it was clear that Mrs A and her son wanted confirmation about whether that would impact Mrs A's credit file and I think the call handler should have explained that arrangements to pay less than the contractual amount would have an adverse impact. The agent also explained the collection process for the car. He said Mrs A would need to access a link she'd be sent and send them photographs of the vehicle. Mrs A says that never happened, but I don't think that suggested the VT hadn't been accepted. The VT was confirmed in an email sent to Mrs A on 1 November 2023.*

### **Was Mrs A disadvantaged?**

*So, I think some mistakes were made on the calls Mrs A had with Oodle, and those mistakes confused Mrs A. She's had to complain, and she's had to escalate that complaint to this service in order to receive a clearer explanation. In those circumstances, I think Oodle should pay her £200 in compensation.*

*But I think the distress caused here was limited because I'm persuaded VT was most likely to have been the best option for Mrs A. In the phone conversations I've listened to it is clear that Mrs A had two main objectives when considering how to exit the agreement. She wanted to minimise the cost, and the impact on her credit file. I think VT was the best vehicle to achieve that. While VT would be reported as such to her credit file, I don't think that would*

*be likely to be interpreted negatively as it would suggest Mrs A had simply exited her agreement having made all payments that were due. VS, on the other hand would have been a black mark, and I think it would have been unlikely to have put Mrs A in a better financial position. It wouldn't have been practical to part exchange the car as Mrs A was considering leaving the country and, in those circumstances, she wouldn't have needed a vehicle. Selling the car herself may have been an option, but would have taken more time, and that didn't appear to be a resource Mrs A had. I note that Oodle's written communications clearly explained the exit options Mrs A had and I've taken that into account too, as I note Mrs A's representative explained he and his mother had read those emails.*

*Taking everything into account I think Oodle should pay Mrs A £200 to compensate her for the poor advice their agents gave her and the distress and inconvenience that caused. But I'm not asking them to pay any more as I think their accurate written advice and the substance of that advice, mitigated any loss.*

### **My provisional decision**

*For the reasons I've given above, I'm expecting to uphold this complaint in part and to tell Oodle Financial Services Limited to pay Mrs A £200 to compensate her for the distress and inconvenience caused.*

### **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.

Neither party responded to my provisional decision, so I've not found reason to change it. My provisional decision, therefore, becomes my final decision on this complaint.

### **My final decision**

For the reasons I've given above, I uphold this complaint in part and tell Oodle Financial Services Limited to pay Mrs A £200 to compensate her for the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A to accept or reject my decision before 1 December 2024.

Phillip McMahon  
**Ombudsman**