



The complaint

Mr D is unhappy with the way Oodle Financial Services Limited trading as Oodle Car Finance (Oodle), handled the termination of his hire purchase agreement.

When I refer to what Mr D and/or Oodle said or did, it should also be taken to include things said or done on their behalf.

What happened

In June 2019, Mr D entered into a hire purchase agreement with Oodle to acquire a used car, first registered in July 2014. The cash price of the car was around £25,990. The amount of credit provided was about £22,500. There was one instalment (including the Document Fee, if charged) of around £566, proceeded by 58 instalments, each approximately in the sum of sum of £516, and followed by a sum of around £566 (a final instalment including the Option to Purchase Fee).

In May 2024, Mr D called Oodle to request a Voluntary Termination (VT) of his agreement. Later, he changed his mind and is unhappy that Oodle would not stop and reverse the VT process. Mr D said this was even though he told them that he would make an arrangement to clear the arrears on the agreement.

In June 2024, Oodle responded to Mr D's complaint. In summary, they said it is their business decision not to reverse a VT unless there has been an error made with the information Mr D was provided with, which would render him unable to make an informed decision prior to confirming he wanted to VT. Oodle explained this is due to the risks involved in reinstating the credit agreement after it has been terminated, and which they have reported to the credit reference agencies. They said they have reviewed Mr D's account to ensure he was given the correct information prior to agreeing to the VT.

Oodle said Mr D's account shows he called them on 23 May 2024 to discuss handing back the car as he was not driving it and because the insurance was coming up for renewal. They said during this call, their agent explained the two options Mr D had regarding handing back the car and ending the agreement. The likely balance left from each option and the impact on Mr D's credit file were discussed on this call. This was also confirmed in an email to Mr D. Oodle felt they gave Mr D the information to enable him to make an informed decision, so they said no error has occurred on their part.

Mr D remained unhappy, so he referred his complaint to the Financial Ombudsman Service (Financial Ombudsman).

Our investigator did not think Oodle had acted inappropriately. As such, the investigator did not think Oodle needed to take any further action in relation to this complaint.

Mr D did not accept the investigator's outcome. So, the complaint has 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.

Where evidence is unclear or in dispute, I reach my findings on the balance of probabilities – which is to say, what I consider most likely to have happened based on the evidence available and the surrounding circumstances.

In considering what is fair and reasonable, I take into account the relevant rules, guidance, good industry practice, the law and, where appropriate, what would be considered to have been good industry practice at the relevant time.

Mr D acquired the car under a hire purchase agreement, which is a regulated consumer credit agreement. Our service can look at these sorts of agreements. However, I can only consider the actions and inactions of Oodle and only the aspects for which they are responsible for. So, in this decision, I focused only on the aspects I can look into. I know that Mr D has other complaints with Oodle, but in this decision I am only considering whether the VT process, which Mr D requested, should have been stopped and reversed because he later changed his mind. As such, I am only looking at the events that have been raised by Mr D with Oodle, specifically those they had an opportunity to address in their correspondence dated 27 June 2024.

I know Mr D feels that Oodle should have stopped and reversed the process of the VT once he told them he no longer wanted this option because, since requesting it, he learned it would negatively impact his credit file. As such, I've looked at what happened at the time in question.

From the call recordings and the emails between Mr D and Oodle, I can see that in May 2024, Mr D called Oodle to request VT of his agreement. During this call Oodle's agent took the time to explain the different options that were available to Mr D, specifically Voluntary Termination vs. Voluntary Surrender. The agent explained the financial figures and the implications of both options, including the impact on Mr D's credit file and how certain information may be considered by future lenders. The agent also told him how Mr D needed to communicate his decision, if he chose to exercise one of these. I can see that this was also relayed to Mr D in correspondence/email Oodle sent to him. This email outlined more detailed guidance on his options, including the option of a private sale, part exchange of the car, and early settlement. After being provided with all this information, I can see that Mr D chose to VT. Following this, Oodle confirmed they had received his request and explained that the request is final and cannot be reversed.

Considering all the circumstances of this specific case, for me to be able to say that Oodle should reverse the VT process now, I would need to be satisfied that Mr D only chose this option because of an error on Oodle's part. But having considered all the circumstances, I have not seen enough evidence to say that, most likely, Oodle has done something wrong.

They clearly explained the options to Mr D and the impact of each option. So, I cannot say they need to take any further action as Mr D had the required information pertaining to his options and acted on them accordingly. Oodle has the discretion to reverse the VT process but, given an error has not occurred, I do not think it would be fair or reasonable for me to say Oodle has done anything wrong regarding this aspect.

While I sympathise with Mr D for the difficulties he is experiencing, taking all the circumstances of the complaint into consideration, I do not think Mr D has been treated

unfairly by Oodle. So, it is not fair or reasonable for me to require Oodle to take any action in response to this complaint.

My final decision

For the reasons given above I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 16 July 2025.

Mike Kozbial
Ombudsman