

## **The complaint**

Mr L complains that Oodle Financial Services Limited (“Oodle”) gave him an agreement he couldn’t afford to repay. Mr L also says that Oodle was aware of his vulnerability and lent to him anyway.

## **What happened**

In December 2019, Oodle provided Mr L with a hire purchase agreement for a used car through a credit intermediary. The cash price for the vehicle was £4,395 and no deposit was paid so the full amount was financed. The agreement had interest, fees and charges of £3,506.20 with Mr L due to pay a total of £7,901.20. Mr L was due to make one payment of £180.02 followed by 58 payments of £130.02 followed by a final payment of £180.02.

Oodle’s statement of account shows the last payment Mr L made was in June 2022 and an outstanding balance remains due.

I can see there has been a number of final response letters issued by Oodle but the relevant one for this complaint was issued in August 2024 and Oodle gave reasons why it thought it had made a fair lending decision.

After the complaint was referred to the Financial Ombudsman Service and Investigator reviewed the complaint and didn’t uphold it saying proportionate checks had been carried out and she didn’t think Mr L had been treated unfairly in any other way.

Mr L didn’t agree with the outcome saying Oodle didn’t declare whether commission was paid and it refused to take the vehicle back. These comments didn’t change the investigator’s assessment and so the complaint has been passed to an ombudsman for a decision.

To start with, while Mr L has said that he is concerned about the commission the dealership may have received when it sold him the car – this wasn’t part of his original complaint and so if he’s unhappy with whether any commission was or wasn’t paid he’ll need to take that up with Oodle as a separate matter.

I also can see that Mr L feels strongly about the quality of the vehicle that he was provided with. But it’s not appropriate for me to consider that under this complaint as there are different and separate requirements for Oodle. So, this decision will solely focus on whether Oodle did all it ought to have done before it granted the loan to him.

## **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.

We’ve explained how we handle complaints about irresponsible and unaffordable lending on

our website. And I've used this approach to help me decide Mr L's complaint. Having carefully thought about everything I've been provided with, I'm not upholding Mr L's complaint. I'd like to explain why in a little more detail.

Oodle needed to make sure that it didn't lend irresponsibly. In practice, what this means is that Oodle needed to carry out proportionate checks to be able to understand whether any lending was sustainable for Mr L before providing it.

Our website sets out what we typically think about when deciding whether a lender's checks were proportionate. Generally, we think it's reasonable for a lender's checks to be less thorough – in terms of how much information it gathers and what it does to verify that information – in the early stages of a lending relationship.

But we might think it needed to do more if, for example, a borrower's income was low, the amount lent was high, or the information the lender had – such as a significantly impaired credit history – suggested the lender needed to know more about a prospective borrower's ability to repay.

I'm sorry to hear about Mr L's health problems. I do hope he is receiving the treatment and support that he needs and while I am not upholding his complaint – for the reasons I've given below, Oodle will need to take the information it has when discussing a way forward.

Oodle as part of the application process took details of Mr L's income which he declared was £20,160 per year before tax. However, Oodle didn't just accept what Mr L said – it obtained a copy payslip which showed Mr L's net monthly income was around £1,200. This meant Mr L's gross income was around £16,300 per year. And it was this smaller figure which was used by Oodle for its assessment which was reasonable and demonstrated a proportionate check was carried out.

Oodle conducted a credit search before granting the agreement and it has provided a copy of the results that it received. I've considered these in order to see whether Oodle was given any indication that Mr L was or was likely having financial difficulties at the time.

Oodle discovered Mr L had two active credit accounts, a current account and a mobile phone account. Both accounts had been managed well and there were no adverse payment markers against them. The rest of the credit file was also clear of missed payments, defaults, delinquency or any other types of insolvency.

The credit search results wouldn't have indicated to Oodle that Mr L was currently having, or was likely to having, financial difficulties and so I don't think these results would've been sufficient to have led Oodle to carry out further checks or to have declined his application.

Oodle was also told by Mr L that he lived at home with parents and had done so for at least the last two years. But even knowing that, Oodle doesn't seem to have made any enquires with Mr L specifically about his monthly outgoings – which it may have wanted to do.

But, I've weighed this up against, Mr L's clear credit file which showed no signs of financial distress, the fact he lived at home with parents and so wouldn't have had the priority bills that someone would typically have in either rented or mortgage accommodation. And after the loan payments he would've been left with just over £1,000 per month to cover any other costs that he may have.

Taking account of all the information Oodle had available to it, I'm satisfied it carried out a proportionate check before it advanced the finance to Mr L and the results of that check

indicated the agreement would likely be affordable for him. I am therefore not upholding the complaint about Oodle's decision to lend.

### *Other considerations*

Mr L has also said that he was taken advantage of at the point the application was made because he was vulnerable and so didn't understand the wording of the contract. I've thought about what Mr L has said, as well as reviewing the notes that have been provided by Oodle as part of the affordability assessment.

As far as I can see Oodle wasn't aware of the vulnerability that Mr L has set out and its worth saying here, that the guidance does say (in summary) that the starting position is a lender ought to believe – unless told otherwise that the person requesting credit, in this case Mr L – was in a position to make an informed decision. And even if Oodle was aware of Mr L's vulnerabilities at the time, that alone wouldn't have been enough to have said it couldn't lend to him – especially in a situation where the checks showed the agreement was likely to be affordable.

I've reviewed the account notes, and I can see that there was a payment problem in 2021, but these had been caused by the impact of the COVID-19 pandemic. Suitable help was offered at this time by agreeing a repayment plan. And when payments were missed again, I'm satisfied Oodle took reasonable steps to try and contact Mr L to discuss the status of the account.

It also seems the first time Oodle was informed about Mr L's health was during 2022 and by October 2022, I can see that it was asking more question so that it could adjust or provide specific support to Mr L. Oodle received a further update from Mr L in August 2023, about his hospital treatment. It was also around this time that Oodle was told he no longer had the vehicle as it had been scrapped. Having looked at the notes, I'm satisfied Oodle treated Mr L fairly and provided support at the time.

Mr L entered into an IVA, and Oodle has provided the paperwork in relation to this and it seems that while Oodle was aware of it, the paperwork excluded the agreement from the IVA as Mr L needed it for business and personal use.

I appreciate that Mr L wants Oodle to write off the outstanding debt, and of course this is something it may wish to consider – given what it knows about Mr L's health and his wider financial position. But I am not recommending Oodle write the debt off. But the requirements on the part of Oodle is to treat Mr L fairly and with forbearance when discussing a way forward to repay what is owed.

Finally, I've also considered whether the relationship might have been unfair under s.140A of the Consumer Credit Act 1974. However, for the reasons I've already given, I don't think Oodle lent irresponsibly to Mr L or otherwise treated him unfairly in relation to this matter. I haven't seen anything to suggest that Section 140A would, given the facts of this complaint, lead to a different outcome here.

### **My final decision**

For the reasons I've outlined above, I am not upholding Mr L's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 11 July 2025.

Robert Walker  
**Ombudsman**