

## **Complaint**

Mr T complains that Oodle Financial Services Limited (trading as “Oodle” Car Finance) unfairly entered into a hire-purchase agreement with him. He’s said that the monthly payments to this agreement were unaffordable.

## **Background**

In August 2019, Oodle provided Mr T with finance for a used car. The the total cash price was £7,103.00. Mr T paid a deposit of £100 and entered into a hire-purchase agreement with Oodle for the remaining amount of £7,003.00.

The loan had total interest, fees and charges of £5,352.00 (made up of interest of £5,252.00, a document fee of £50 and an option to purchase fee of £50) and a 60-month term. This meant that the balance to be repaid of £12,355.00 was due to be repaid in a first monthly payment of £254.25, followed by 58 monthly instalments of £204.25 and then a final monthly payment of £254.25.

Mr T’s complaint was considered by one of our investigators. He didn’t think that Oodle had done anything wrong or treated Mr T unfairly. So he didn’t recommend that Mr T’s complaint should be upheld.

Mr T disagreed with our investigator and the complaint was passed to an ombudsman for a final decision.

## **My findings**

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 T’s complaint.

Having carefully considered everything, I’m not upholding Mr T’s complaint. I’ll 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 T 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.

Oodle says it agreed to this application after Mr T provided details of his employer as well as his annual income. It says it also carried out credit searches on Mr T which showed that he didn't have any significant adverse information - such as defaulted accounts or county court judgments ("CCJ") – recorded against him. And when reasonable repayments towards the amount Mr T owed on his active accounts, plus a reasonable amount for Mr T's living expenses were deducted from his monthly income the monthly payments were affordable.

On the other hand, Mr T says the monthly payments were unaffordable.

I've thought about what Mr T and Oodle have said.

The first thing for me to say is given Mr T's income, his existing commitments and the amount of the monthly payment in this instance, there is a reasonable argument for saying that the checks that Oodle carried out went far enough. After all, there wasn't anything that was inconsistent in the information it gathered and neither did Mr T have any adverse information recorded against him which could have suggested that he fell outside the profile of the average borrower either. So, in my view, it wasn't unreasonable for Oodle to have used statistical data in this instance.

For the sake of completeness and in any event, even if I were to say that Oodle ought to have done more here, at best, all I would have expected it to do was find out a bit more about Mr T's committed living costs. And I don't think that doing that here would have made a difference.

I say this because the information Mr T has provided about his living expenses now don't show me that they were significantly higher than the estimates that Oodle used at the time, or more importantly that using these actual amounts would have shown the monthly payments to be affordable. So I don't think that Oodle finding out about Mr T's actual living expenses, rather than relying on statistical data, would have made a difference here.

In reaching my conclusions, I've also considered whether the lending relationship between Oodle and Mr T might have been unfair to Mr T under section 140A of the Consumer Credit Act 1974 ("CCA").

However, for the reasons I've explained, I don't think Oodle irresponsibly lent to Mr T or otherwise treated him unfairly in relation to this matter. And I haven't seen anything to suggest that section 140A CCA or anything else would, given the facts of this complaint, lead to a different outcome here.

Overall I'm satisfied that Oodle gathered a reasonable amount of information from and about Mr T as part of its assessment of affordability. There is also a strong argument for saying that it carried out a reasonable assessment of this information and made a fair decision to lend to Mr T.

In any event, at the absolute best it could be argued that it might have been prudent for Oodle to ask Mr T more about his actual living expenses. However, I'm satisfied that even if Oodle had done this, this won't have stopped it from providing these funds, or entering into this hire purchase agreement with Mr T. So I'm not upholding this complaint.

I appreciate that this will be disappointing for Mr T. But I hope he'll understand the reasons for my decision and at least consider that his concerns have been listened to.

**My final decision**

My final decision is that I'm not upholding Mr T's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 23 April 2025.

Jeshen Narayanan  
**Ombudsman**