

## The complaint

With the help of a professional representative (PR) Miss C complains that Startline Motor Finance Limited lent to her irresponsibly. For ease I'll refer to the PR's actions as being those of Miss C.

## What happened

On 31 July 2019, Miss C entered a Hire Purchase agreement (HP) with Startline on the following terms:

Date	Cash price	Amount of credit	Term (months)	Monthly repayment	Total payable
31 July 2019	£16,02.75	£15,923.63	60	£337.58	£20,424.92

The agreement was settled in full on 24 May 2021.

On 31 October 2024, Miss C complained to Startline. She said it had *“failed to take reasonable steps to assess [her] ability to make repayments in a sustainable manner without incurring financial difficulties or experiencing significant adverse consequences”*. She said she had debts totalling £23,511 at the time, and this HP was unaffordable for her. To resolve her complaint Miss C asked Startline to refund the charges and interest she paid, plus 8% simple interest and to remove any negative information recorded on her credit file in relation to this agreement.

Startline looked into Miss C's complaint and issued a final response letter. It explained the checks it had carried out and that it had agreed this HP on the condition that an existing agreement (which had repayments of £253 per month) was settled. This condition was adhered to, and Startline felt the new agreement had been affordable for Miss C at the time of the application. It didn't uphold the complaint.

Miss C didn't accept Startline's response, so she referred her complaint to this service. One of our investigators looked into it. He agreed with Startline that its checks had been reasonable and that it made a fair decision to lend to Miss C.

Miss C didn't agree that the HP was affordable and said the automated verification of her income (which Startline used) was insufficient for an HP of this size. As there was no agreement, the complaint has been passed to me for a decision.

## 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 set out our approach to complaints about unaffordable lending on our website – including the key relevant rules, guidance, good industry practice and law. I've considered this approach when deciding this complaint.

Startline needed to carry out reasonable and proportionate checks to ensure that it didn't lend to Miss C irresponsibly. I think there are key questions I need to consider in order to decide what is fair and reasonable in the circumstances of this complaint:

- Did Startline carry out reasonable and proportionate checks to satisfy itself that Miss C was in a position to sustainably repay the HP?
  - If not, what would reasonable and proportionate checks have shown at the time?
- Did Startline make a fair lending decision?
- Did Startline act unfairly or unreasonably towards Miss C in some other way?

Startline had to carry out reasonable and proportionate checks to satisfy itself that Miss C would be able to repay the finance sustainably. It's not about it assessing the likelihood of being repaid, but it had to consider the impact of the repayments on her. There is no set list of checks that it had to do, but it could take into account several different things such as the amount and length of the loan, the amount of the monthly repayments and the overall circumstances of the borrower.

#### Did Startline carry out reasonable and proportionate checks?

In her application, Miss C declared her income as being £27,000, with rent of £300 per month. She had no dependants and had been in her current property for three years. She'd been with her current employer for five years, so her circumstances were reasonably stable.

Startline carried out a review of Miss C's credit file. It saw she had a number of finance agreements elsewhere totalling around £23,500. It noted £9,142 of this was an HP with another business, which had a £253 monthly payment. Her other credit commitments had monthly payments totalling around £600 and were up to date. There was one agreement which had defaulted three years before this application.

Miss C did have a fair amount of existing credit elsewhere, but it was all being serviced appropriately. And Startline made it a condition of this HP that the previous agreement would be settled.

Startline considers itself a "near prime lender" which means it specialises in lending to people who have not been able to obtain credit from mainstream lenders due to lower credit ratings. I don't think one default from three years before Miss C's application will have caused it any concerns. Overall, I think Startline carried out reasonable and proportionate checks on Miss C's application.

#### Did Startline make a fair lending decision?

Miss C has said she doesn't feel automated verification of her income was reasonable for an agreement of this size. While I don't necessarily agree with that comment, I note she has provided statements of her bank account for a few months prior to her application. I note that her average income is in line with that used by Startline. So I don't think that if Startline had requested physical proof of her income, it would have been likely to have reached a different lending decision.

Based on what Miss C had told Startline and what it found itself, I think it made a fair decision to lend to her.

#### Did Startline act unfairly or unreasonably towards Miss C in some other way?

I've carefully considered all the evidence provided by each party to this complaint. I note that

Miss C contacted Startline in April 2020 as she was having trouble meeting the repayment as her was self employed and unable to work due to the Covid-19 pandemic. Startline suspended her payments for a couple of months and continued to treat her with forbearance as I'd expect. Miss C settled the agreement in May 2021.

For the reasons I've already given, I don't think Startline lent irresponsibly to Miss C or otherwise treated her unfairly in relation to this matter. I haven't seen anything to suggest that Section 140A of the Consumer Credit Act 1974 would, given the facts of this complaint, lead to a different outcome here.

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 5 September 2025.

Richard Hale  
**Ombudsman**