

The complaint

Mr C complains that Oodle Financial Services Limited, trading as Oodle Car Finance, has terminated the hire purchase agreement under which a car was supplied to him and has repossessed the car.

What happened

A used car was supplied to Mr C under a hire purchase agreement with Oodle Car Finance that he electronically signed in February 2022. The price of the car was £24,995 and Mr C agreed to make two payments of £610.97 and 58 monthly payments of £551.97 to Oodle Car Finance. He didn't make the required payments so Oodle Car Finance terminated the agreement in September 2024 and the car was repossessed.

Mr C complained to Oodle Car Finance in October 2024 but it didn't uphold his complaint so he complained to this service. His complaint was looked at by one of this service's investigators who, having considered everything, didn't recommend that it should be upheld. He thought that Oodle Car Finance had treated Mr C fairly and had tried to help him with clearing the arrears and had followed the correct process when taking back the car, so he said that he couldn't ask it to take any further action.

Mr C didn't accept the investigator's recommendation so I've been asked to issue a decision on his complaint. He says that: he was on a call arranging a new payment plan when he was informed that the car had already been repossessed; he'd not missed any payments under the agreed arrangements and had shown a clear willingness to pay; his mental health issues made communication difficult; Oodle Car Finance continued to chase the debt after repossession; and he was close to the one-third payment point under the Consumer Credit Act. He also said that he would be sending a full appeal letter, but he hasn't provided a further response.

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.

Mr C had agreed to make two payments of £610.97 and 58 monthly payments of £551.97 to Oodle Car Finance for the car to be supplied to him. He didn't make those payments and his account went into arrears. A payment arrangement was agreed which ended in February 2024 and another payment arrangement was agreed under which Mr C was to pay £10 each month in addition to his monthly payment of £551.97 for five months. When that arrangement ended, Oodle Car Finance sent text messages and an email to Mr C asking him to call it to agree an affordable solution for the remaining arrears. Mr C didn't contact Oodle Car Finance so it sent a notice of default to him in August 2024. It also sent further text message and emails to Mr C and tried to call him.

The notice of default said:

"You are in breach of the agreement because you have failed to pay the instalments

and on the dates which are stated in the Appendix at the end of this letter. Total of instalments now in arrears £6,170.61. To remedy the breach you must pay all the instalments in arrears by [specified date in August 2024]. If the action required by this notice is taken before the date shown, the action below will not be taken in respect of the breach ... If you do not take the action required above before the date shown, then we may: terminate the agreement; recover possession of the vehicle (subject to obtaining a court order where required); demand payment of the outstanding balance (but if we recover possession of the vehicle and sell it, we will give you credit for the vehicle's net sale proceeds); you may be entitled to a rebate which will reduce that sum ...".

Mr C didn't contact Oodle Car Finance as requested and didn't remedy the breach of contract so it terminated the hire purchase agreement in September 2024. The car's MOT certificate had expired in February 2024, the car was repossessed from Mr C and it was sold at auction in October 2024 for £10,400, which was applied to his account. The total amount payable under the agreement was £33,218.20 and I understand that Mr C had made payments totalling £9,886.52 to Oodle Car Finance so it didn't need a court order to repossess the car. In its final response letter to Mr C, Oodle Car Finance said that the outstanding amount to be paid by him was £10,848.09.

Oodle Car Finance had agreed two payment arrangements with Mr C but, when the second of them ended, his account was £6,170.61 in arrears. Oodle Car Finance attempted to contact him by text message, email and phone but Mr C didn't respond to it so it sent him a default notice. Mr C didn't contact Oodle Car Finance in response to the default notice and didn't take the action required by the default notice so I don't consider that it acted incorrectly by then terminating the agreement and repossessing the car. I'm not persuaded that there's enough evidence to show that Oodle Car Finance has acted unfairly or unreasonably in these circumstances.

Oodle Car Finance accepts that it gave Mr C incorrect information about the amount that he owed it and the status of his account after the agreement had been ended, but it apologised for that and gave him the correct information. Oodle Car Finance's account notes show that it was aware of Mr C's situation and I consider that it acted positively and sympathetically in response to his financial difficulties and I'm not persuaded that there's enough evidence to show that it has treated him unfairly or unreasonably.

I appreciate that my decision will be disappointing for Mr C, but I find that it wouldn't be fair or reasonable in these circumstances for me to require Oodle Car Finance to write-off or reduce the amount that he owes to it, to pay him any compensation or to take any other action in response to his complaint.

My final decision

My decision is that I don't uphold Mr C's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 21 September 2025.

Jarrold Hastings
Ombudsman