

The complaint

With the help of a professional representative (PR), Mr H complains that Oodle Financial Services Limited trading as Oodle Car Finance lent to him irresponsibly. For ease, I'll mainly refer to the actions of the PR as being those of Mr H.

What happened

Mr H entered into a Hire Purchase agreement (HP) with Oodle to acquire a used car. It was agreed on the following terms:

Date	Amount of credit	Term	Monthly repayment	Total payable
15 June 2021	£11,119	60 months	£245.54	£14,832.40

Mr H repaid the agreement in December 2024.

On 28 August 2024, Mr H's PR submitted a complaint to Oodle. They said Oodle had failed to conduct reasonable credit worthiness checks before lending to Mr H and as a result the relationship between the two was unfair as described in Section 140A of the Consumer Credit Act 1974. They said Mr H had suffered financial hardship as a result because the agreement had been unaffordable for him.

Oodle looked into Mr H's complaint and issued a final response letter. It set out the checks it had undertaken and was satisfied the HP had been affordable for Mr H. It didn't uphold his complaint.

Mr H was unhappy with Oodle's response, so his complaint was referred to us. One of our investigators looked into it. He felt the checks carried out by Oodle were reasonable and proportionate and that it had reached a fair decision to lend to Mr H. Our investigator didn't uphold the complaint.

Mr H didn't agree with our investigator, so 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 irresponsible and 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.

Oodle needed to carry out reasonable and proportionate checks to ensure that it didn't lend to Mr H 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 Oodle carry out reasonable and proportionate checks to satisfy itself that Mr H was in a position to sustainably meet the repayments?
- If not, what would reasonable and proportionate checks have shown at the time?
- Did Oodle make a fair lending decision?
- Did Oodle act unfairly or unreasonably towards Mr H in some other way?

Oodle had to carry out reasonable and proportionate checks to satisfy itself that Mr H would be able to repay the HP sustainably. It's not about it assessing the likelihood of it being repaid, but it had to consider the impact of the repayments on him. 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 HP, the amount of the repayments and the overall circumstances of the borrower.

When Mr H applied for the HP, he told Oodle he'd been with his current employer for 10 years and earned a gross income of £18,816 per year. He lived in a rented property where he'd been for 10 years too.

Oodle reviewed his credit file and saw he had credit card with a balance of £800 against a limit of £850 and he was up to date with the repayments. He had one outstanding defaulted account for £30 which hadn't been updated since 2016, and four other defaults which had been settled – the most recent of which had been settled in November 2017 – 3½ years before this application. He had a County Court Judgement which had been registered in January 2016 and satisfied in July 2020 – a year before this application. I don't think it was unreasonable for Oodle to have considered Mr H's difficulties to be historic.

Oodle used that information as well as data supplied by the Office for National Statistics (ONS) to assess whether the HP would be affordable for Mr H. It was satisfied based on what it found that £245.54 would be affordable for him.

It's generally accepted that a business can rely on information given to it by a consumer unless it knows or has cause to suspect that information may not be accurate. In this instance, the details Mr H gave Oodle appeared reasonable and fit with the information it found itself through its' checks. I've seen nothing to suggest it ought to have had any concerns about what it was told or what it found out itself. It follows that I think the checks it carried out were reasonable and proportionate and I think it reached a fair decision to lend to him.

Did Oodle act unfairly or unreasonably towards Mr H in some other way?

I've carefully read and considered all the information provided by each party to the complaint. The notes show that there were some issues with repayments on the account which Mr H explained were due to repair costs and some health issues which caused a reduction in his income. Oodle put in place payment plans to support him. Ultimately Mr H sold the car and repaid the HP as he no longer needed it due to a change in his family circumstances.

For the reasons I've already given, I don't think Oodle lent irresponsibly to Mr H 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

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 20 October 2025.

Richard Hale
Ombudsman