

The complaint

Mr C's complaint is that Oodle Financial Services Limited trading as Oodle Car Finance (Oodle) provided him with an unaffordable hire purchase agreement.

Mr C's complaint has been brought by a professional representative, however for ease I've referred to all submissions as though they are his own.

What happened

In October 2021 Oodle provided Mr C with a hire purchase agreement for a vehicle with a cash price of around £13,670. Mr C paid a deposit of £2,000 and received finance of around £11,670. The agreement was repayable over 54 monthly instalments of around £320 and had a total repayable value, including interest and fees, of around £19,270.

Mr C made an unaffordable lending complaint to Oodle in September 2024. He said Oodle hadn't completed proportionate checks before providing this lending; and that had it done so it would have identified this lending wasn't affordable for him. Mr C said Oodle's lending decision has brought about an unfair relationship.

Oodle didn't uphold Mr C's complaint. In summary it said it had completed proportionate checks and had made a fair lending decision when providing Mr C with this agreement.

Unhappy with Oodle's response Mr C referred his complaint to our service for review.

Our investigator considered the details and didn't uphold the complaint. He concluded Oodle hadn't completed proportionate checks based on the terms of lending being provided, and the evidence it had presented us with. However, on review of information which Oodle would likely have identified through more detailed checks, he concluded it would still have reasonably provided Mr C with this agreement.

Oodle didn't respond to our investigator's view. Mr C responded and disagreed. He said proportionate checks ought to have led Oodle to conclude that he wasn't left with a reasonable level of disposable income each month to sustainably afford payments to this agreement. He made specific reference to details about his income and expenditure to support this, and set out his financial situation at the time.

Our investigator considered these points and set out why their view didn't change.

Mr C asked for an ombudsman's review, so the complaint has been passed to me to decide.

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.

The information in this case is well known to Mr C and Oodle, so I don't intend to repeat it in detail here. I've focused my decision on what I consider to be the key points of this

complaint; so, while my decision may not cover all the points or touch on all the information that's been provided, I'd like to assure both parties I've carefully reviewed everything available to me. I don't mean to be discourteous to Mr C or Oodle by taking this approach, but this simply reflects the informal nature of our service.

We've set out our approach to complaints about irresponsible and unaffordable lending as well as the key rules, regulations and what we consider to be good industry practice on our website. Both Mr C and Oodle have been made aware of this approach.

At the time Oodle arranged this agreement for Mr C it was required to carry out proportionate checks. These checks required it to assess Mr C's ability to afford the agreement being arranged and repay it sustainably, without causing him financial difficulties or financial harm.

There isn't a set list of checks a lender needs to carry out, but they should be proportionate, taking into account things like the type, amount, duration and total cost of the credit, as well as the borrower's individual circumstances.

I've followed this approach when considering Mr C's complaint.

Oodle has said it obtained Mr C's declared income and used Office of National Statistics (ONS) data to calculate his monthly non-discretionary expenditure. It also completed a credit check to understand Mr C's active credit accounts and his recent management of credit.

Oodle says it completed proportionate checks and made a fair lending decision when arranging this hire purchase agreement.

I've considered the information and arguments presented. Having done so, I'm not persuaded Oodle did complete proportionate checks; however, for reasons I'll go on to explain, I consider it did make a fair lending decision when providing Mr C with this hire purchase agreement.

During the application Mr C declared he was self-employed with an annual income of around £43,200. Oodle completed a credit check and identified Mr C had no outstanding debt balance across a handful of credit accounts held in his name. It did identify some adverse information, such as a CCJ and missed payments. However, the CCJ was settled in 2018, and the most recent missed payments had occurred around two years before this lending application. So, I consider it was reasonable for Oodle to consider these historic and therefore not reflective of Mr C's financial circumstances at the time of this lending; which showed that all of his accounts were being managed well in the recent past.

Oodle took into account living expenses based on ONS data, and added in an estimate for running costs of the vehicle. Oodle has said its calculations led to it concluding that Mr C could afford monthly repayments at a higher level than around the £320 towards this agreement; and it therefore concluded he could sustainably afford this hire purchase agreement.

Although Oodle has reached this conclusion, it hasn't provided us with the data behind its calculations; so, I can't reasonably understand how it reached this outcome.

I also note it doesn't appear Oodle verified Mr C's income. Given it was committing Mr C to a relatively significant value loan, with relatively high monthly repayments over a sizeable term, I consider proportionate checks ought to have led to Oodle verifying Mr C's actual income and expenditure, to reasonably satisfy itself that this hire purchase agreement would be sustainably affordable for Mr C.

Oodle could have obtained this information in a number of ways. Our service's general approach is to ask a customer to provide us with their main bank statements showing their income and expenditure covering a period of three months leading up to a lending event. We generally find that this allows us to recreate what proportionate checks would more likely than not have shown a lender, had it completed them at the time.

As part of Mr C's complaint he provided our service with a transaction list from his bank account, which in part covers the three months leading up to Oodle's lending decision. In the absence of any contradictory information, I consider this allows me to reasonably understand what Oodle would more likely than not have identified through proportionate checks.

Mr C's bank statements evidence many transactions; and given Mr C's declared self-employment I don't consider this to be surprising. I also consider it isn't unusual to see that Mr C's income appears to vary month to month. As well as credits into and payments out of the account from individuals and what appear to be businesses, Mr C also makes multiple transfers to and from another account which appears to be in his name.

There are evidenced non-discretionary payments to items such as housing costs, insurances, work and vehicle related costs, as well as household subscriptions. As I've noted above, the credit check Oodle completed didn't report any outstanding debt in Mr C's name; and this appears to be supported within the transaction lists I've seen as there doesn't appear to be any repayments towards debt.

Having taken an overall review of the evidenced income across the three months leading up to this agreement, as well as the non-discretionary expenditure and transfers to and from Mr C's own account; I consider the evidence shows that on average Mr C is left with a reasonable level of disposable income to sustainably afford the monthly repayments of around £320 to this new agreement.

I acknowledge the testimony and data Mr C has provided around his income and expenditure in the lead up to this agreement. While I don't doubt what he's provided, my role here is to decide whether Oodle made a fair lending decision, based on the information I consider it would more likely than not have identified from proportionate checks.

I acknowledge Mr C's actual financial circumstances may have been different to that which are evidenced within the transaction lists he's provided. But given the evidence available to me, I can't reasonably conclude that Oodle would have determined this new agreement wasn't sustainably affordable for him. It therefore follows I consider Oodle made a fair lending decision when providing Mr C with this agreement.

I've gone on to consider whether Oodle has acted unfairly or unreasonably in any other way, including whether the relationship might have been unfair under Section 140A of the Consumer Credit Act 1974.

I've seen Mr C maintained payments in line with the agreement until March 2024, when a payment was missed but manually made the following day. All further payments up to and including in January 2025, when Oodle provided us with its business file, appear to have been made on time.

I've also reviewed the contact notes Oodle has provided, which show no signs of Mr C making Oodle aware of any concerns with the agreement, including the affordability of it. It details the missed payment in March 2024, but following that there's no other relevant contact until Mr C makes his complaint in late 2024. Therefore, I haven't seen anything to suggest Oodle was – or ought reasonably to have been – aware of any financial difficulties, or that it therefore didn't provide Mr C with relevant support or forbearance.

So, for the reasons I've set out above, I don't think Oodle lent irresponsibly to Mr C, or otherwise treated him unfairly in relation to this agreement. I haven't seen anything to suggest that Section 140A would, given the facts of this complaint, lead to a different outcome here.

It therefore follows I'm not directing Oodle to take any further action in resolution of this complaint.

My final decision

My final decision is that I don't uphold Mr C's complaint about Oodle Financial Services Limited trading as Oodle Car Finance.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 14 October 2025.

Richard Turner
Ombudsman