

The complaint

Mr A complains that Oodle Financial Services Limited trading as Oodle Car Finance (Oodle) lent to him irresponsibly.

What happened

On 15 September 2021, Mr A entered into a hire purchase agreement with Oodle as shown below, to buy a used car. This loan settled an existing loan and made-up part of the payment for the vehicle being purchased. Mr A settled the agreement in full earlier than planned in February 2023.

Date	Amount of credit	Term	Monthly payment	Total repayable
15 September 2021	£10,022.64	60 months	£246.39	£14,883.40

On 22 March 2024, Mr A complained to Oodle with the help of a professional representative. He said appropriate affordability checks were not carried out at the time of lending, which meant Oodle had failed to identify the lending was unsustainable and that this created unfairness in the relationship.

Oodle looked into the complaint and issued a final response letter rejecting it. Oodle provided a summary of the checks it had conducted and felt the agreement was affordable for Mr A. It said it had confirmed the agreement was affordable for him by checking the information the credit reference agencies held about him, reviewing a payslip, and using statistical data to estimate Mr A's expenditure.

Mr A didn't accept Oodle's response, so he referred his complaint to our service with the help of his representative. One of our investigators looked into it. Based on the evidence that was available, our investigator said she couldn't reasonably conclude that the lending was irresponsible, or the relationship was unfair.

Mr A didn't accept what our investigator said and as there was no agreement, 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.

I think there are key questions I need to consider in order to decide what is fair and reasonable in this case:

- Did Oodle carry out reasonable and proportionate checks to satisfy itself that Mr A was able to sustainably repay the credit?
- 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 A in some other way?

Oodle had to carry out reasonable and proportionate checks to satisfy itself that Mr A would be able to repay the credit sustainably. It's not just about Oodle 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 credit, the amount of the monthly repayments and the overall circumstances of the borrower.

Oodle has explained in its final response that it carried out a full credit search to get an understanding of Mr A's situation before it decided to lend. It said this revealed his level of active borrowing was reasonable to his income, but that Mr A had defaulted on one account that had been settled around five years before the application to it for credit. Given this, Oodle was content to continue with its checks.

Oodle said it had verified Mr A's income using the payslips he'd provided and as Mr A had recently gained employment with a new employer it sought a letter confirming the employment and Mr A's new rate of pay. It also considered Mr A's existing credit commitments using the credit reference agency data and likely essential expenditure using statistical data. Having done this, it concluded the agreement would be affordable for Mr A.

While I don't doubt what Oodle said, it hasn't been able to provide the actual data it used when calculating whether the agreement was affordable for Mr A. But without seeing this information, it's difficult for me to say that reasonable and proportionate checks were carried out. That's not to say the checks weren't reasonable and proportionate – they might have been – but without the evidence I can't say for sure that they were.

So, with that in mind, I thought about what Oodle might have found had it asked Mr A more detailed questions about his expenditure. Our investigator asked Mr A for evidence that would provide detail of his financial circumstances at the time of the lending – such as bank statements. Mr A was able to provide these and in the absence of anything else I think it's reasonable to rely on them to understand what Oodle would likely have found at the time it completed its checks.

Mr A's representatives have conducted their own income and expenditure for Mr A for the months before the lending. However, I can't see that they've factored in Mr A's salary for his new employment. Oodle did take account of this and took care to ensure it fully understood what Mr A's circumstances would be going forward, which I think is reasonable in the circumstances.

I've reviewed Mr A's statements and taken into consideration Mr A's wages from his new job. I can see he has around £400 disposable income a month which is a reasonable amount once his essential expenditure (including the new loan payment) is taken into account. I think if Oodle had asked Mr A about his expenditure it would have fairly concluded Mr A had enough disposable income to be able to sustainably make repayments under the agreement.

So, based on the information available to me, I can't reasonably make a finding that Oodle acted unfairly when it agreed to lend to Mr A.

Given this, based on the available evidence, it's not clear enough to me that Oodle created unfairness in its relationship with Mr A by lending to him irresponsibly, or in respect of its handling of the account under the credit agreement. So, I don't find that Mr A's relationship with Oodle was unfair, and I can't conclude Oodle treated Mr A unfairly in any other way based on what I've seen.

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 A to accept or reject my decision before 25 July 2025.

Charlotte Roberts
Ombudsman