

## **The complaint**

Mr C complains that Oodle Financial Services Limited trading as Oodle Car Finance (“Oodle”) failed to conduct proper checks when providing him with car finance.

## **What happened**

In October 2019 Mr C applied for car finance with Oodle. He was borrowing £5,495.00 to be repaid over 48 months with a monthly repayment amount of £157.98.

Mr C complained to Oodle in January 2025. He said there was a lack of creditworthiness assessments carried out at the time of sale, and therefore Oodle didn’t realise the lending was unsuitable for him. He said prior to the lending, he had a negative disposable income and was borrowing money from family and friends.

Oodle responded to the complaint. They didn’t uphold it. They said they undertook a reasonable and proportionate assessment of whether Mr C could afford the finance, and they’re satisfied the monthly repayments Mr C needed to pay were affordable for him. Because he didn’t agree, Mr C referred his complaint to our Service in March 2025. An Investigator here looked into things. They said reasonable and proportionate checks were carried out, and a fair decision to lend was made.

Mr C responded saying that he had a negative disposable income in the months leading up to the finance being provided, and asked the Investigator to reconsider. The Investigator explained Oodle wouldn’t have needed to look at Mr C’s statements in full, and therefore the information they did obtain demonstrated the finance was affordable for him.

Because an agreement couldn’t be reached, 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.

Having done so, I’ve reached the same outcome as the Investigator. I know this is likely to disappoint Mr C, so I’ll explain my reasoning in more detail below.

Oodle needed to make sure that it didn’t lend irresponsibly. In practice, what this means is that Oodle needed to carry out proportionate checks to be able to understand whether any lending was sustainable for Mr C before providing it.

Our website sets out what we typically think about when deciding whether a lender’s checks were proportionate. Generally, we think it’s reasonable for a lender’s checks to be less thorough – in terms of how much information it gathers and what it does to verify that information – in the early stages of a lending relationship.

But we might think it needed to do more if, for example, a borrower's income was low, the amount lent was high, or the information the lender had – such as a significantly impaired credit history – suggested the lender needed to know more about a prospective borrower's ability to repay.

Oodle says it agreed to Mr C's application after he provided information around his employment and annual income. They also completed a Credit Reference Agency (CRA) check and relied on data from The Office of National Statistics (ONS).

It recorded that Mr C was earning a salary of around £21,600 per year and had no outstanding debt. He had a credit card with a limit of £250, but it wasn't being used. Mr C didn't have any adverse information on his credit report, nor did he have any defaults. I believe the checks Oodle carried out were proportionate, and considering the amount being provided to Mr C, and the information they gathered in these checks, I don't think they acted unfairly when providing him with the car finance. I say this because it was for a relatively modest amount, and there were no signs of financial difficulty in the past. It wouldn't be a significant cost for Mr C to repay this credit in a reasonable period of time based on his salary and existing credit commitments.

I note what Mr C has said regarding his open banking statements. But when considering lending complaints, there are no specific checks that lenders must complete before approving an application for credit. The rules set out by the regulator merely state that checks should take place and that they should be proportionate to the type and amount of credit being provided. But there is no obligation on lenders to ask to see bank statements, so Oodle didn't make an error when they didn't automatically ask to see Mr C's bank statements before approving the application.

I understand Mr C says his outgoings were significantly more than his income, but this wasn't evident yet on the credit file Oodle obtained at the point of application, so there was nothing to suggest the finance would be unaffordable for him.

In reaching my conclusions, I've also considered whether the lending relationship between Oodle and Mr C might have been unfair to Mr C under s140A of the Consumer Credit Act 1974 ("CCA"). However, for the reasons I've already explained, I'm satisfied that Oodle did not lend irresponsibly when providing Mr C with the finance. And I haven't seen anything to suggest that s140A CCA would, given the facts of this complaint, lead to a different outcome here.

So while it'll likely come as a disappointment to Mr C, I won't be upholding his complaint against Oodle for the reasons explained above.

### **My final decision**

It's my final decision that Oodle Financial Services Limited trading as Oodle Car Finance did not treat Mr C unfairly and I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 6 November 2025.

Meg Raymond  
**Ombudsman**