

## **The complaint**

Mr A, through his representative, complains that Oodle Financial Services Limited agreed to provide him with a finance agreement for a car purchase which he says he could not afford.

## **What happened**

On 5 December 2020 Mr A agreed to purchase a second hand car and successfully applied to Oodle for finance. The finance agreement was for £9,500. The total to pay including interest was £12,093.94. He paid no deposit. The £666 paid cash at first was for insurances. It was to be for 42 months. The first repayment included a document fee and so that was £335.57 – the last one was the same and included the ‘option to purchase fee’ and the 40 repayments in the middle were to be for £285.57 each.

The last instalment was repaid on 28 June 2024 and Mr A called Oodle to check that the car was now his. This was confirmed. Mr A also asked about getting another loan from Oodle.

Mr A’s representative submitted the complaint to Oodle in January 2024 and its final response letter was in April 2024. Oodle gave reasons why it was not upholding his complaint. After it had been referred to the Financial Ombudsman Service one of our investigators considered the complaint and all the financial information both parties had submitted. Our investigator did not uphold it, Mr A rejected that outcome and so the unresolved complaint was 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.

We’ve explained how we handle complaints about irresponsible and unaffordable lending on our website. And I’ve used this approach to help me decide Mr A’s complaint. Oodle needed to make sure that it didn’t lend irresponsibly. In practice, what this means is that it needed to carry out proportionate checks to be able to understand whether any lending was sustainable for Mr A 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 – suggesting the lender needed to know more about a prospective borrower’s ability to repay.

Mr A informed Oodle of his income which was declared at the application stage as being £28,600 before tax deductions. It isn’t clear whether Oodle took steps to check whether this

was accurate. But I see that our investigator and Mr A's representative broadly agree on a monthly income figure after tax. And I say that as I've reviewed both sets of Income and Expenditure (I&E) assessments using Mr A's bank account statements. I have seen that they broadly agree on his income each month being around £1,530.

So, I have reviewed both sides sets of arguments and decided that the income figure of around £1,530 was about right and if Oodle had done more it would have found that out. So, I don't consider income level in December 2020 is disputed. And I consider that a £1,530 a month income figure to be broadly correct.

The credit search Oodle obtained before lending shows no repayment issues on other accounts. Mr A wasn't using some of his credit cards and of the cards he was using he was not anywhere near their limits – so Oodle wouldn't have had any concerns about his overall indebtedness.

The one loan Mr A did have commenced in January 2020 with a two year term and so had only one year to go and Oodle would have seen that. The other accounts were being paid regularly and without issue. There were no adverse entries such as delinquency, County Court Judgments (CCJs) or defaulted accounts. Mr A's representative in its letter of complaint referred to Mr A having a CCJ and defaults, but there's no record of them and so I reject its submissions on that.

Oodle has told us that it used office of National Statistics data (ONS) for general expenditure costs. It was not able to supply those ONS figures used. It said that Mr A was '*not set up*' for Open Banking at the time of application and so Oodle's underwriters did not have access to Mr A's bank transactions before lending.

Our investigator did not think that this was a good enough assessment of Mr A's financial situation before lending. I agree that our investigator approached the complaint correctly by looking at the detail provided by Mr A's bank account statements to check on Mr A's expenditure. And I say this because not being able to give us any idea as to what figures Oodle used leads me to think that we cannot properly assess whether it carried out a proportionate check and whether it made a fair lending decision.

Mr A's representative has sent to us detailed account transactions including some analysis of those and its own interpretation as an I&E spreadsheet. I thank it for those. I have reviewed them all and considered the detailed analysis by our investigator who determined that after paying all that he needed to pay including the car finance for Oodle, Mr A would have been left with around £215 (later changed to £200) a month as left over income.

Mr A's representative disputed that but upon review of the I&E submitted, I disagree with its analysis and I explain why here. It has used large monthly figures for payments to credit cards for each of the three months leading up to the application.

But what Mr A chose to transfer to pay down on his cards in those months were not the minimum required payments – they greatly exceeded that. And there was no indication that Mr A was going to continue to repay his cards at those levels: £356, £534, and £297 (rounded figures). And I do not consider it fair that Oodle's I&E assessment, had it done one of this detail, would have been expected to use more than the minimum figures a credit card company would have expected to have been paid.

Using the credit search Oodle carried out, as the total credit card balances Mr A had in November 2020 were £1,758 and using a higher than usual 5% minimum repayment figure (often it can be only 3%) then that would have been around £88 a month.

So, reviewing it all I consider that for the purchase of a car then the finance was suitable and affordable. I do not uphold the complaint.

Mr A paid the instalments regularly apart from on two occasions but was not in arrears and now owns the car.

I've also considered whether Oodle acted unfairly or unreasonably in any other way and I have considered whether the relationship might have been unfair under s.140A of the Consumer Credit Act 1974.

However, for the reasons I've already given, I don't think it lent irresponsibly to Mr A 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 do not uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 8 August 2025.

Rachael Williams  
**Ombudsman**