

## **The complaint**

Mr L, who is represented by a third party, complains that Oodle Financial Services Limited ('Oodle'), trading as Oodle Car Finance, irresponsibly granted him a hire purchase agreement he couldn't afford to repay.

## **What happened**

In May 2021, Mr L acquired a used car financed by a hire purchase agreement from Oodle. He was borrowing £13,164 and was required to make 60 monthly repayments of £336.23. The total repayable under the agreement was £20,173.80.

The agreement is still running.

Mr L says that Oodle didn't complete adequate affordability checks. He says if it had, it would have seen the agreement wasn't affordable for him. Oodle didn't agree. It said that it carried out the necessary affordability checks to ensure Mr L would be able to meet the monthly repayments.

Our investigator didn't recommend the complaint be upheld. He thought Oodle didn't act unfairly or unreasonably by approving the finance agreement.

Mr L didn't agree and so the complaint has been passed to me for a final 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 explained how we handle complaints about unaffordable and irresponsible lending on our website. And I've used this approach to help me decide Mr L's complaint.

Before granting the finance, I think Oodle gathered a reasonable amount of evidence and information from Mr L about his ability to repay. I say this because it used the information Mr L provided, including about his annual income, which at that time worked out a net monthly income of around £3,160. It also established he was self-employed and at that point was living with his parents.

Oodle also carried out credit and affordability checks.

The credit check helped Oodle to understand how Mr L had managed his existing and previous financial arrangements. This showed that he'd had four defaulted accounts, being three in 2017 and one at the beginning of 2019. I agree with our investigator that these were old enough to be treated as historical and that Mr L appeared to be in better control of his financial and debt commitments by the time he took out the agreement. The credit check also showed Mr L had five active credit accounts, two being credit cards, two being bank accounts and last one being an account with a telecommunications provider. He owed a total of around £2,700 in credit debt. He appeared to be operating all of these accounts relatively

well. Other than that, the check showed no other adverse information affecting his credit history.

Using statistical data for cost-of-living expenses, Oodle then calculated that Mr L would have enough disposable income to meet his payments under the agreement.

However, just because I think Oodle carried out proportionate checks, it doesn't automatically mean it made a fair lending decision. So, I've thought about what the evidence and information showed.

Having done so I'm satisfied that the checks that were completed showed that the agreement was likely to be affordable to Mr L. I say this taking into account Mr L's particular circumstances and the level of information Oodle obtained when carrying out its credit checks, including the credit report and statistical data it used. This includes the fact that Mr L was living at home. Whilst I recognise and expect he was contributing towards household costs, given his manageable level of debt and no other indicators that he might be having or at risk of financial issues, I think Oodle made a fair lending decision.

I agree with our investigator that Oodle's checks were proportionate. But I have also looked at the bank statement information Mr L provided. I can see his monthly income averaged out to lower than what he'd told Oodle – at around £2,250. Out of that he'd need to make credit repayments which based on his level of debt he would be able to do comfortably. I can see he was also paying for what I take to be household shopping, car and petrol costs. I agree this was in the region of £500 each month. There is also a significant amount of non-essential spending. That's not something that would show up with statistical data and nor do I consider it shows or suggests his financial circumstances were at risk of deteriorating.

Those representing Mr L have said that Mr L used his credit cards for everyday expenses. I've only seen the headline figures for his card spending. But even allowing for a significant level of credit card use and the possibility that he'd eventually use most of his available credit limit on his two cards – he was only making use of one at the time of his application - his surplus income meant it was likely he'd be able to repay them on a sustainable basis.

So I don't consider the statements or having details about his credit card spending would change the position that the checks carried out by at the time Oodle considered Mr L's application were fair and proportionate. Had it chosen to ask for these, or if Mr L had volunteered them, I don't think having sight of them would cause Oodle to reconsider their decision to lend to Mr L.

For these reasons, I don't think Oodle acted unfairly when approving Mr L's finance application.

I've considered whether the relationship between Mr L and Oodle might have been unfair under Section 140A of the Consumer Credit Act 1974. However, for the reasons I've already given, I don't think Oodle lent irresponsibly to him or otherwise treated him unfairly. I haven't seen anything to suggest that Section 140A or anything else would, given the facts of this complaint, lead to a different outcome here.

### **My final decision**

For the reasons I've given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 29 October 2025.

Michael Goldberg  
**Ombudsman**