

The complaint

Mr D complains that Oodle Financial Services Limited trading as Oodle Car Finance (Oodle) irresponsibly provided him with an unaffordable regulated hire purchase agreement.

What happened

In April 2022 Oodle provided Mr D with a hire purchase agreement for a vehicle. The cash price of the vehicle was around £25,000 which was the total amount financed. The agreement was repayable over 60 months with 58 instalments of around £570 and a first and final instalment of around £620. The total repayable value of the agreement, including interest and fees, was around £34,460.

Mr D complained to Oodle in September 2024 about irresponsible and unaffordable lending. He said Oodle's checks hadn't been proportionate before it provided him with this agreement; and that more detailed checks would have identified it wasn't affordable for him.

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

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

Our investigator considered the details and didn't uphold the complaint. She concluded Oodle had completed proportionate checks and had gone on to make a fair lending decision when providing Mr D with this hire purchase agreement.

Oodle didn't respond to our investigator's view. Mr D responded and disagreed. In summary he maintained his previous arguments and said:

- When this agreement was provided he was already over indebted and experiencing financial difficulties.
- Some of the evidence provided by Oodle which our investigator has relied upon to reach their view is inaccurate.
- He doesn't remember signing paperwork relating to this agreement.

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

Mr D 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 D 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 D 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 D and Oodle have been made aware of this approach.

At the time Oodle arranged this agreement for Mr D it was required to carry out proportionate checks. These checks required it to assess Mr D'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 D's complaint.

Oodle has said it obtained Mr D'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 D'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 persuaded that Oodle completed proportionate checks and went on to make a fair lending decision when providing Mr D with this agreement.

I say this because although this credit agreement was for a relatively sizeable loan, monthly repayment and term, Oodle's checks were relatively detailed. It obtained Mr D's declared income of around £91,130 a year and verified this; by way of one month's payslip and by obtaining a Financial Standing report. Both of these checks validated Mr D's declarations around his income.

Through the Financial Standing report Oodle was also provided with Mr D's expenditure across the previous 12 months, and could identify his non-discretionary payments across this period. I've seen that this report included the types of expenditure you'd expect to see from a homeowner; such as payments to a mortgage, council tax, insurances, utilities, household subscription services, and travel, to name a few. The report also provided details of Mr D's repayment of credit across this same period of time, and together with the separate credit check that Oodle completed, it was able to build a detailed picture of Mr D's financial position.

The credit check reported 17 active accounts, all of which were generally being maintained well, with outstanding balances totalling around £32,130 excluding mortgages. There was no insolvency markers, defaults or accounts in arrangements reported; however, one credit card account had a missed payment reported about 12 months prior to this application, and another credit card was marginally above its agreed limit, by around 1%. But I don't consider this information should reasonably have caused Oodle concern, when taking into account the overall picture.

More recently the report showed a CCJ had been registered for around £340, in January 2022. However, there's no corresponding evidence of defaulted accounts on the credit report. Following our investigator's view (and therefore evidently after Oodle's lending decision), Mr D has made us aware of a CCJ which he successfully had set aside by the

courts at the end of March 2022, which given the evidence doesn't appear to be related to a financial product.

I consider, based on the evidence available to me, that this is more likely than not the CCJ that had reported on the credit check Oodle completed. Oodle's credit check appears to have been completed around a week before the order to have the CCJ set aside is dated; therefore answering Mr D's concerns as he's said he isn't aware of a CCJ being reported on his credit file.

While this amendment is after the date Oodle conducted its credit check, I consider it adds weight to the presence of the CCJ not being representative of Mr D's general management of credit, given the rest of the information reported on the credit check, and through the Financial Standing report Oodle obtained.

Given the information Oodle did identify through its credit check, I consider it would reasonably have taken comfort from the evidence it received by way of the payslip and Financial Standing report. These evidenced a relatively considerable base salary, and that Mr D had a relatively healthy disposable income each month after taking into account evidenced non-discretionary expenditure and repayment to existing credit, which would enable him to sustainably make repayments to this new hire purchase agreement.

So, while I do consider the terms of lending being provided, and the presence of adverse information within the credit check Oodle obtained, did require more detailed checks; I consider the Financial Standing report provided Oodle with Mr D's actual income and expenditure details which enabled it to obtain a detailed overview of Mr D's financial position and ultimately led to it satisfying itself that this agreement would be sustainably affordable.

I acknowledge Mr D's testimony that he disputes the income details Oodle obtained, that he was overindebted at the time this agreement was provided, and that he struggled to maintain the repayments. While I don't doubt Mr D's position, I'm satisfied that Oodle was entitled to reasonably rely on the evidence it obtained through its checks, which I don't consider it had any reason to distrust or have questioned. And following these proportionate checks, I haven't seen anything within the information it obtained that suggested this agreement would be unaffordable for Mr D.

So, it therefore follows I consider Oodle made a fair lending decision when providing Mr D with this hire purchase 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 D had made multiple payments late under the agreement, although based on the evidence he generally ensured the account was paid up to date within days or a week at most. The contact notes I've seen show Mr D made Oodle aware that he wanted to change the bank account his direct debit was paid from, as he had concerns with the bank and some problems with payments debiting his account.

The notes show that when monthly payments were returned Mr D generally explained he was experiencing problems with his bank, and he then went on to manually make the contractual payments. There's no suggestion, from the documentary evidence I've seen, that Mr D made Oodle aware of any financial difficulties until his complaint was made in September 2024. And I've seen the agreement was voluntarily terminated and the vehicle was recovered in October 2024.

Mr D has made reference to receiving some communication from Oodle relating to the exit options, and that he considers it was excessive when an agreement had already been reached. However, I've not seen any evidence to suggest Oodle's actions were at a level that was unreasonable.

So, for the reasons I've set out above, I don't think Oodle lent irresponsibly to Mr D, or otherwise treated him unfairly or unreasonably in relation to this agreement. And 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, for the reasons set out above, that 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 D'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 D to accept or reject my decision before 14 October 2025.

Richard Turner
Ombudsman