

## **The complaint**

Miss F, through her representative, complains about STARTLINE MOTOR FINANCE LIMITED and that it approved a finance agreement for her to purchase a vehicle which she could not afford.

## **What happened**

In November 2021, Miss F wanted to buy a car costing £24,999. Miss F paid a deposit of £11,000 (being cash and a part exchange of her existing car) and then took finance from Startline for £13,999. The term was 60 months and the monthly repayment was £403. I've used rounded figures. The total amount to pay was £35,200. Miss F's previous finance agreement (HP) was costing her £368 a month and there'd been no issues in the repayments.

There were no particularly late payments with the Startline finance agreement although there had been some Direct Debit, or lack of funds problems, occasionally. These had been cleared up immediately by Miss F. The agreement was settled in full in January 2025.

After Miss F had complained Startline responded in February 2025. Miss F was not content with that outcome and so referred it to us. The unresolved 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.

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 Miss F's complaint. Startline 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 her before providing it. Our website gives some explanations around this.

I have reverted to the specific wording and detail in the Financial Conduct Authority's (FCA's) Consumer Credit Sourcebook (CONC) Chapter 5 on responsible lending to assist me in relation to Miss F's complaint. I do not set out the FCA wording here as her representative likely is familiar with that CONC chapter and I refer them to it for the detail.

When considering whether creditworthiness assessments were reasonable which is what the FCA require it to be, there are a number of considerations to guide Startline that the checks were proportionate: CONC 5.2A.20R. It was not expected that there was a full financial review of every aspect of Miss F's circumstances for the application.

Miss F said she was self-employed for a council some distance from her residential home. Miss F had been doing that job for four years. Miss F declared a net income (after tax) of £3,138 a month and gave no information about her expenditure. Startline asked for proof of her income and Miss F supplied copy bank account statements covering August 2021 to 8 October 2021 showing the regular weekly payment of around £764 a week. This was a firm method to verify Miss F's regular income. That bank account had a credit balance of about £5,400 on 8 October 2021. Miss F appeared to transfer her income to another account, copies of which Startline did not see. I do not consider it needed to.

Startline carried out a credit search and those records have been sent to me. Startline would have seen that Miss F already had several defaulted accounts from 2016 and 2017. Of these, all were or had been, with a debt collection agency demonstrating Miss F was repaying the default balances. One of those had closed as it had been paid off.

There had been a more recent default of a credit card in February 2021 which she'd paid off and closed in March 2021. Miss F also had a current account, a telecoms account and a couple of credit cards with low balances none of which had any repayment issues.

Startline's final response letter states that Miss F had two County Court Judgments (CCJ) from 2018 – I've not seen those records but likely they link with one of the accounts with a debt management company. Startline has said:

*Startline are a lender who will lend to people who have adverse information on their credit file. The fact that there was some historical adverse data does not mean the customer would not be able to obtain finance.*

I accept this statement as being fair and reasonable.

The records showed the current HP Miss F had with another provider was costing £368 a month. It was being closed with the new Startline car finance agreement scheduled to be £403 a month. So, the price to change was not going to be much and Miss F would have been fully aware of the cost of maintaining and running a car before approaching Startline.

And the satisfactory repayment record with that other HP agreement likely would have been a positive indicator for Startline. We have details of that previous agreement (on a different complaint file) and having viewed the Statement of Account (SOA) for it, it seems it was due to end at the end of October 2021. So, it seems likely Miss F would have had the choice to keep that car and use it or buy a different car. Miss F approached Startline for a different car and a new finance agreement. Identifying the reason for asking for the finance is relevant as it places the credit agreement in context which is part of the proportionality requirements expected of Startline.

Proportionality can be seen as doing reasonable checks within the full context of the loan application, what it was for and other details. I can't improve on some of the wording in the guide paragraph CONC 5.2A.21: *Certain factors may point towards a more rigorous assessment and others towards a less rigorous one in which case the firm should weigh up the factors before deciding what type of creditworthiness assessment is required.*

Startline has said in its FRL that it used Office of National Statistics (ONS) statistics to add into the assessment rent and council tax and other likely non-discretionary outgoings. With a verified regular income, with a credit balance in her bank account and with the recent default having been paid off, plus a relatively low overall debt balance on her credit file, then I do not consider that Startline needed to do more.

In line with the regulatory framework, I am satisfied that Startline based its creditworthiness assessment on sufficient information of which it was aware at the time it was carried out; and that it took reasonable steps to obtain information from Miss F. And, where it deemed it necessary, it also cross referenced the information that she had provided with information from a credit reference agency. With all of that information combined, I'm satisfied that Startline had sufficient information to enable it to carry out a reasonable creditworthiness assessment.

I've also considered whether Startline acted unfairly or unreasonably in any other way and I have considered whether the relationship 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 it lent irresponsibly to Miss F or otherwise treated her 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 I do not uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss F to accept or reject my decision before 17 November 2025.

Rachael Williams  
**Ombudsman**