

## The complaint

With the help of a professional representative (PR), Miss S complains that Oodle Financial Services Limited lent to her irresponsibly. For ease, I'll mainly refer to the actions of the PR as being those of Miss S.

## What happened

Miss S entered into a Hire Purchase agreement (HP) with Oodle to acquire a used car. It was agreed on the following terms:

Date	Amount of credit	Term	Monthly repayment	Total payable
10 May 2019	£9,381.71	60 months	£230.63	£13,937.80

On 20 September 2023, Miss S's PR submitted a complaint to Oodle. They said Oodle had failed to conduct reasonable credit worthiness checks before lending to Miss S and so the relationship between the two was unfair. They said the HP repayments had *"a significant adverse impact on our client's financial circumstances"*.

Oodle looked into Miss S's complaint and issued a final response letter. It set out the checks it had undertaken and was satisfied the HP had been affordable for Miss S. It didn't uphold her complaint.

Miss D was unhappy with Oodle's response, so her complaint was referred to us. One of our investigators looked into it. She felt Oodle's checks hadn't gone far enough, but if it had done more, it would still have agreed to lend to Miss S. Our investigator didn't uphold Miss S's complaint.

Miss S didn't agree with our investigator, so as there was no agreement, the complaint has been passed to me for a 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 set out our approach to complaints about irresponsible and unaffordable lending on our website – including the key relevant rules, guidance, good industry practice and law. I've considered this approach when deciding this complaint.

Oodle needed to carry out reasonable and proportionate checks to ensure that it didn't lend to Miss S irresponsibly. I think there are key questions I need to consider in order to decide what is fair and reasonable in the circumstances of this complaint:

- Did Oodle carry out reasonable and proportionate checks to satisfy itself that Miss S was in a position to sustainably meet the repayments?
- If not, what would reasonable and proportionate checks have shown at the time?

- Did Oodle make a fair lending decision?
- Did Oodle act unfairly or unreasonably towards Miss S in some other way?

Oodle had to carry out reasonable and proportionate checks to satisfy itself that Miss S would be able to repay the HP sustainably. It's not about it assessing the likelihood of it being repaid, but it had to consider the impact of the repayments on her. There is no set list of checks that it had to do, but it could take into account several different things such as the amount and length of the HP, the amount of the repayments and the overall circumstances of the borrower.

When Miss S applied for the HP, she told Oodle she was employed with a gross income of £23,750 per year and had been with her current employer for 3 years. She lived in rented accommodation where she'd been for almost two years.

Oodle reviewed her credit file and saw she had three defaulted accounts, one of which had been satisfied in October 2017. The other two were more recent – a communications supplier account with a balance of £31 which defaulted in December 2018, and a mail order account for £515 which had defaulted in April 2019. She also had a few other active accounts - a current account with an overdraft limit of £750 (balance £237), two small loans totalling £700, a communications account and a hire purchase agreement to which she was paying £159 per month. All were up to date.

Oodle used that information as well as data supplied by the Office for National Statistics (ONS) to assess the affordability of the proposal. It noted that the existing HP would be repaid through this new one and was satisfied that £230.63 would be affordable for Miss S in the circumstances.

Generally the checks Oodle carried out would be considered reasonable and proportionate in the circumstances. But simply doing the checks isn't the end of the matter, Oodle must think about what it finds. In this instance, it noticed that Miss S had defaulted on two of her existing agreements within the last few months – one just a couple of weeks before this application. I think this ought to have led it to look more closely at Miss S's financial circumstances to ensure the new HP would be affordable for her.

As I've said, there's no set list of checks lenders should do, but one way for them to check an applicant's circumstances is to look at their bank statements. Miss S has provided her bank statements for three months prior to her application for the HP, so I've considered what Oodle might have found had it requested them at the time.

Miss S received income from her employer, benefits and a regular weekly payment from a named individual. All this meant she received a total of approximately £1,900 each month. The regulations set out in the Consumer Credit sourcebook (CONC) allow lenders to consider income from other people provided it's reasonable to assume it will continue through the course of the agreement. Such was the regularity and amount of the income from the other individual (£100 a week) I think it would have been fair to include that in Miss S's income calculations.

Her average essential expenditure equated to £1,500 or so. This left a monthly disposable income of £400 from which to pay this HP of £231. I think this was sufficient to mean that the HP would be affordable for Miss S. It follows that I think if Oodle had looked further into Miss S's financial circumstances it would still have agreed to lend to her. It follows that I think it reached a fair decision when it did so.

Did Oodle act unfairly or unreasonably towards Miss S in some other way?

I've carefully considered everything each party to the complaint has sent us. I've looked at the account statement and can see Miss S kept up with payments for the first few years, and up until she complained about the HP, the only missed payments at that point were during the Covid-19 pandemic when she had agreed a reduction for a few months. I note too that when she instructed her PR, Miss S said she had taken a payment holiday due to Covid and that she didn't struggle to make the payments on time.

I note that more recently, Miss S has been in touch with Oodle as she has experienced some health issues which meant she might struggle with the payments. I can see Oodle has accepted reduced repayments as I'd expect. I've not seen that she contacted it at any other time to express any difficulties in meeting the repayments.

For the reasons I've already given, I don't think Oodle lent irresponsibly to Miss S or otherwise treated her unfairly in relation to this matter. I haven't seen anything to suggest that Section 140A of the Consumer Credit Act 1974 would, given the facts of this complaint, lead to a different outcome here.

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 23 October 2025.

Richard Hale  
**Ombudsman**