

The complaint

Mr M complains that Oodle Financial Services Limited trading as Oodle Car Finance (Oodle) Irresponsibly approved finance for him which was unaffordable.

What happened

In September 2021, Mr M acquired a used car financed through a Hire Purchase Agreement (HPA) with Oodle. The cash price of the car was £9,990. Mr M paid a cash deposit of £2,990 with the balance of £7,000 provided as credit through the agreement.

The agreement required Mr M to make an initial monthly repayment of £245.42, followed by 46 monthly repayments of £195.42 and then a final repayment of £245.42 on month 48.

In January 2024, Mr M complained to Oodle that they'd failed to complete an adequate affordability assessment prior to agreeing the finance and that the lending was unaffordable for him.

Oodle didn't think they'd done anything wrong saying they'd undertaken a reasonable and proportionate assessment before being satisfied the finance was affordable and approving the agreement.

Mr M remained unhappy, so he asked the Financial Ombudsman Service to look into his complaint.

One of our Investigator's looked into things and said he thought the checks Oodle had completed were reasonable and proportionate checks, and that based on what those checks showed, he said he believed Oodle's decision to lend to Mr M was fair, so he didn't uphold the complaint.

Mr M disagreed saying he thought Oodle should've taken into account that he was a heavy gambler at the time of his application, when they'd reviewed data from his bank accounts.

Our Investigator said Mr M's gambling activity had not been raised prior as a reason why Oodle shouldn't have lend to him, so he hadn't addressed it specifically when setting out his view. But our Investigator reassured Mr M it was something that he'd considered, however he didn't think the level of transactions should have resulted in Oodle refusing to lend to him.

Mr M remained unhappy. Because no agreement could be reached, this 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.

Having done so, and I acknowledge it will come as a disappointment to Mr M, I'm not upholding his complaint for broadly the same reasons as our Investigator. I'll explain why.

How we handle complaints about irresponsible and unaffordable lending is explained on our website. It's this approach I've used when deciding Mr M's complaint. Oodle needed to ensure they didn't lend irresponsibly which in practice, means they needed to carry out proportionate checks to be able to understand whether any lending was affordable and sustainable for him before agreeing to provide the finance.

The rules that apply to credit agreements are set out in the FCA's consumer credit sourcebook (CONC). Section 5.2A of CONC is relevant here, as – among other things – it talks about the need for businesses like Oodle to complete reasonable and proportionate creditworthiness assessments before agreeing to lend someone money.

I've considered these rules by asking the following questions:

- 1) Did Oodle complete reasonable and proportionate checks to satisfy themselves Mr M would be able to meet the repayments of the borrowing without experiencing significant adverse consequences?
 - If they did, was their decision to lend to Mr M fair?
- 2) Did Oodle act unfairly or unreasonably in some other way?

Did Oodle complete reasonable and proportionate affordability checks?

What's considered reasonable and proportionate in terms of the checks a business undertakes will vary dependant on the details of the borrowing and the consumer's specific circumstances at the time.

Here, the total amount repayable under the agreement was around £12,470, with Mr M committing to make a monthly repayment of £245.42, either side of 46 monthly repayments of £195.42. So while the monthly repayments here were somewhat modest, this was still a relatively lengthy credit commitment for someone to enter into repaying. So, my starting point is that I'd expect to see Oodle to have completed a proportionate but thorough affordability check.

Mr M told Oodle he was employed, had been in the role for over two years and earned a gross annual income of £28,302. He also said he was a private tenant and had been living at the same property for over three years.

Oodle then completed a credit file check and accessed Mr M's bank account data which allowed them to assess his income and expenditure. They then used all this information, to satisfy themselves the agreement was both affordable and sustainable prior to offering the finance.

The credit report data which I've seen Oodle obtained, showed them Mr M held two active loans, owing £3,269 in total. The combined monthly commitment to these loans was £257. Oodle could see Mr M owed a further £2,543 across two credit card accounts on which he had a combined credit limit of £5,750 available. All four loan and credit card accounts could be seen to be being managed well, and all were and had been paid up to date. They could also see he had multiple active bank accounts, utility and communications accounts, all of which were being managed well.

From Mr M's credit report data, Oodle could also see he'd suffered some financial difficulties in the past and had defaulted on a number of accounts. But the most recent of those defaults had occurred around four years prior and all were showing as having since been settled.

As I explained, Oodle also reviewed data obtained from Mr M's bank accounts. From this they were able to verify the declared income Mr M had provided and gain a good understanding of his expenditure and disposable income each month.

Overall, I think Oodle completed reasonable and proportionate checks and from all the evidence and information they gathered, I'm satisfied what they saw allowed them to fairly assess if the agreement was affordable and sustainable for Mr M.

But this doesn't automatically mean Oodle went on to make a fair lending decision – it's this I'll go on to look at next.

Did Oodle make a fair lending decision?

Oodle were able to independently verify Mr M's income, so I'm satisfied they could reasonably rely on the salary he'd declared.

The bank account data Oodle obtained, along with their understanding of Mr M's existing financial commitments, allowed them to gain a good understanding of his essential expenditure and disposable income which was reported as being well in excess of the monthly repayment for the HPA they were looking to agree.

Oodle could see an above average level of gambling transactions within the data it obtained. I've thought about these transactions carefully as to whether I think they should have considered these more of a concern. But based on the above, and what I'll go on to talk about in respect of Mr M's credit report data, I'm satisfied these shouldn't have presented a reason for Oodle not to have lent to him.

The transactions in question and spend related to them were high on some months but on average across a period of time, the monthly spend was much lower. This was a good indication that Mr M was, more likely than not, able to gamble when he had funds available as opposed to him having a more compulsive spending habit that would've presented more of a concern.

As I said, I also think what Oodle saw from the credit report data they obtained satisfied me it was reasonable for them to have considered Mr M was managing his finances well. While there was evidence of previous accounts that he'd defaulted on, these were now historic and had since been settled. I think this, alongside Oodle seeing that all Mr M's current external existing credit was paid up to date and had been managed well over a period of time, was another reason for them to have been satisfied the lending was affordable.

While I've already explained I don't think Oodle needed to go further in their checks based on what they saw, for completeness I've thought about what I think Mr M would more likely than not have told them about the gambling transactions had they asked him about them. Mr M was borrowing money to buy a car, a car which he has explained was his family's only means of transport. So, I think if they had of asked, Mr M would've more likely than not have told them the transactions were recreational as opposed to them being of a concern.

Overall, having taken everything into account here, I'm satisfied Oodle's checks were reasonable and proportionate. And I'm also satisfied they made a fair lending decision based on the outcome of those checks so I'm not upholding this complaint.

Did Oodle act unfairly or unreasonably in some other way?

I've also thought about how Oodle acted and treated Mr M when he fell into arrears on the agreement. I can see Oodle accommodated a number of requests from Mr M to amend the

date his repayment was due and that they allowed him to enter a payment plan prior to taking steps towards defaulting the account.

It was only after this payment plan failed, Oodle proceeded with their default action after which Mr M opted to settle the agreement with assistance from his family.

While I have sympathy for the difficulties Mr M found himself in, having considered the steps taken by Oodle, I can't say they've acted unfairly here.

I've also considered whether Oodle acted unfairly or unreasonably in some other way given what Mr M has complained about, including whether its relationship with Mr M might have been unfair under s.140A Consumer Credit Act 1974.

However, for the reasons I've already given, I don't think Oodle lent irresponsibly to Mr M 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 explained above, my decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 27 October 2025.

Sean Pyke-Milne
Ombudsman