

## **The complaint**

Mrs B, through her representative, complains that FCE Bank Plc trading as Ford Credit (Ford Credit) lent to her by approving a car finance agreement when she could not afford it.

## **What happened**

Mrs B took a hire purchase (HP) car finance agreement for a new Ford car in November 2023. The full amount to pay including interest and charges and making allowance for the deposit paid was £23,567. Mrs D was due to repay over 49 months at £299 each month. The first instalment was a little bigger. The agreement is ongoing and there are no arrears. There will be an optional final payment of £8,706, and a small fee, to secure the car as her own.

After Mrs D had complained to Ford Credit it responded in November 2024. The complaint was referred to the Financial Ombudsman Service where one of our investigators considered that Ford Credit was not able to establish, through evidence, the checks it had carried out. And so, our investigator took a close look at Mrs D's finances using her personal credit file and copies of her bank statements leading up to November 2023. Our investigator's view was that Ford Credit did not need to put things right for Mrs D. Her representative sent several submissions as to why it disagreed and the unresolved complaint was 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 Mrs B's complaint. Ford Credit 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 Mrs B before providing it.

Our website sets out what we typically think about when deciding whether a lender's checks were proportionate. Generally, we think it's reasonable for a lender's checks to be less thorough – in terms of how much information it gathers and what it does to verify that information – in the early stages of a lending relationship. But we might think it needed to do more if, for example, a borrower's income was low, the amount lent was high, or the information the lender had – such as a significantly impaired credit history – suggesting the lender needed to know more about a prospective borrower's ability to repay.

I have reverted to the specific wording and detail in the FCA Consumer Credit Sourcebook (CONC) Chapter 5 on responsible lending to assist me in relation to Mrs B's complaint. I do not set out the FCA wording here as Mrs B's 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 Ford Credit that the checks were proportionate: CONC 5.2A.20R. It was not expected that there was a full financial review of every aspect of Mrs B's circumstances for each application. However, as

Ford Credit did not provide a great deal of information about the details it had for Mrs B's application and its subsequent checks done before lending, our investigator reviewed a lot of detail about Mrs B's finances provided to us by her. I have reviewed all those documents. I do not set them out again here as both parties have that information.

Mrs B received a regular wage from her full time job, and she had a mortgage with her husband who contributed to the bills and that mortgage. Mrs B's credit file provided to us shows that she had already had a HP agreement with Ford Credit before and which had been settled in 2020. Likely Mrs B was changing the car up to a newer model. That means she already had experience and already was paying for the associated car costs such as DVLA tax, insurance, running costs and such things.

Mrs D's credit file shows a series of telecoms accounts, house and car insurance accounts and a couple of credit cards all of which were either settled or live. There was one default entry for a card in 2019 – subsequently satisfied. But I do not consider that to have been proximate enough for Ford Credit to have been concerned if it had been aware of it.

Mrs B's representative seems to be of the view that the onus is on Ford Credit to prove it carried out the right checks. But having decided that there was lack of evidence from Ford Credit, Mrs B has sent to us all the evidence that we needed. And this was for us to be able to see that even if Ford Credit had checked her credit file and had reviewed her detailed income and expenditure costs using a technique such as looking at bank statements, then it would have seen what we have seen – that the repayment costs for the new car were affordable. I do not uphold the complaint.

I've also considered whether Ford Credit 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 Mrs B 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. Ford Credit has said that it has never heard from Mrs B during the course of the agreement and there are no arrears all payments having been made satisfactorily.

### **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 Mrs B to accept or reject my decision before 10 November 2025.

Rachael Williams  
**Ombudsman**