

The complaint

X complains that Oodle Financial Services Limited agreed a payment plan for their arrears but then terminated their hire purchase agreement unfairly.

What happened

X acquired a car financed through a hire purchase agreement they signed on 6 March 2023 with Oodle.

X informed Oodle they were in financial difficulty due to health and their working situation in November 2023 and asked for a payment holiday. X spoke to Oodle again on 22 April 2024 and agreed to restart their regular payment by direct debit as well as an additional monthly over payment of £50 for two months starting on 1 May and subject to review in June.

X said the direct debit went through in May and they then waited some days for another pay check with which they paid £100 – double the required payment – on Oodle’s portal. X said they didn’t know at the time that the portal takes three working days to credit the account. Oodle told them this meant the payment was late and so broke the repayment plan. Consequently, it cancelled the hire purchase agreement and arranged collection of the vehicle.

X said Oodle allowed them to make an offer to pay outside of the agreement to keep the car and so X offered an additional £120. Oodle didn’t accept this, and X raised a complaint.

In its final response Oodle said it hadn’t identified any business failure and didn’t uphold the complaint. X brought the complaint to this service. They said it was unfair to terminate the hire purchase agreement as there was no agreement that the overpayment had to be made on the same day as the direct debit nor did they know that the portal takes three days to credit the account.

X said Oodle accepted a payment of £600 on 1 June despite not making them aware of this. They said this payment could have been used towards a replacement car (for cash). They said without a vehicle they will be out of work despite having a family to support.

X would like Oodle to reinstate the agreement and accept their offer of the normal direct debit plus £120 per month (£600 in total) until the car is paid. They said it wouldn’t benefit either party to have the car returned.

Our investigator concluded that Oodle should reverse the termination, and that X should be offered the opportunity to voluntarily terminate the agreement. Oodle agreed with the investigator that termination is a last resort action, but it said all exit options had been explored, and it did not accept the investigator’s ruling. It asked for a decision from an ombudsman.

X raised a further complaint with Oodle regarding its collections process. Oodle upheld this aspect of X’s complaint and apologised for providing incorrect information.

I issued a provisional decision on 18 July 2025. I said:

I've looked at the process Oodle followed when it set up the payment arrangement.

From the account notes provided I can see Oodle called X on 16 November and asked to put something in place (e.g. a payment plan) X declined as they were on their way to hospital. They asked to start paying in March.

Oodle sent a Notice of Default to X dated 7 February. So, I'm satisfied it served the required notice. At this point the arrears totalled £1,974.96. It tried to contact X on 7 February, 5 March, 7 March and again on 12 March at which point X then contacted Oodle. X said they couldn't make payments and had been sofa surfing for the last five to six months. X explained their situation and the health difficulties they were facing. Oodle applied a hold on the account for over 30 days. X called Oodle on 22 April to discuss a payment plan to cover the arrears. I've listened to this call. I'm satisfied the advisor acts with sensitivity and is sympathetic to X's situation. He asked if X's situation had improved or changed since the last call. X said they couldn't do an income and expenditure exercise at that time because their income is uncertain. At one point they said it was 'officially zero.' They agreed to pay £50 per month on top of the normal payment for two months. The advisor said at that point there would be a review of the situation in June because X hadn't provided income and expenditure details. The advisor also said

"If the balance was to increase anymore you have to just be mindful because there's a chance that the vehicle could be repossessed, the account terminated, it would be on your credit file for six years."

Oodle sent a confirmation of the agreement to X which outlined the payment schedule: £50 overpayment due on 1 May 2024 and 1 June. I'm satisfied that between November and April Oodle acted with forbearance towards X in giving X a payment break and a short-term payment plan especially as X couldn't confirm their income.

X's normal monthly payment of £493.74 was processed via Direct Debit on 1 May but Oodle didn't receive the additional £50. It said it attempted contact on 5 May by email and on 8 May by phone but was unable to speak to X. The agreement was terminated on 9 May. X contacted Oodle to complain as payments had cleared on 12 and 31 May of £100 and £600 respectively. As these payments had come in after the agreement was terminated Oodle said it considered a concessionary arrangement. It reviewed X's situation internally but wasn't confident of their financial ability to maintain a proposal. While the possibility of a concessionary arrangement wasn't discussed with X I can see from the internal notes the review did take place. Again, I think Oodle acted reasonably. It attempted to contact X before terminating the agreement and wasn't successful.

When X signed their hire purchase agreement they agreed to be bound by its terms. The consequences of missing payments are explained in the terms and conditions, and these include termination of the agreement and repossession of the vehicle. In addition, at this point X had received two default notices, so they were aware or ought reasonably to have been aware that the agreement was at risk of termination.

X has said they weren't aware payments could take a few days to clear, and this wasn't stated on the payment schedule. While I accept this isn't stated on the letter X received it is written on Oodles website:

“How do I check if my payment has gone through?”

If you're paying an arrears payment, this will take a couple of days to show up on your account. You can view your account by logging in to the Customer Portal.”

In his view our investigator concluded that X should be offered the opportunity to voluntarily terminate the agreement.

Oodle reserves the right to ensure it doesn't make X's financial situation worse by keeping the agreement open. Nor is it appropriate for it to advise X. I asked X and Oodle to provide me with an update on the agreement and payments.

Oodle said “the repossession of the vehicle is currently on hold pending the Ombudsman's final decision. The customer has not contacted Oodle in the last 6 months neither paid any more payments towards the agreement. The current outstanding arrears on the agreement is £17,520.29”.

X said “Oodle have made no contact whatsoever apart from a single statement by email. After they told me to make a payment despite (forgetting to tell me) cancelling the agreement I have not made any. I don't trust them without an agreement in place. I'm back at work which I told them before they cancelled my agreement. I still “live” with friends.”

Although X told Oodle they were working they couldn't confirm income or expenditure which is why only a short-term plan was put in place. I can see X has fallen further behind on payments. While I understand X maybe concerned about the termination of the agreement, I haven't seen anything which might indicate Oodle wouldn't act in good faith should X make any payments they could afford. Per the agreement X still owes the money to Oodle. X also hasn't given any indication they want to return the car and I've seen in their conversations with Oodle their intention to not return it. So it's not clear to me that X would go ahead with voluntary termination were it still an option and Oodle is right to make sure it doesn't worsen X's financial situation, the level of arrears is significantly higher now and X still doesn't appear to have a stable living situation and I've not seen any evidence that their income is sufficient to cover the ongoing payments as well as the arrears. So, I'm not persuaded reinstating the agreement and then offering X the opportunity to voluntarily terminate is reasonable.

I'm satisfied Oodle gave X more than 30 days breathing space to consider all their options concerning their arrears and it then put in place a reasonable short-term plan. X was aware or ought reasonably to have been aware their agreement was at risk. And after termination Oodle did consider a concessionary arrangement. So, I'm persuaded it did act fairly and reasonably when it terminated X's agreement.

Oodle accepted my provisional findings. X did not agree.

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.

I realise this will come as a disappointment to X but having done so I'm satisfied my provisional conclusions still stand.

In their response to my conclusions X said Oodle took a £600 payment which they said was

the first of a 'supposed schedule' and then decided against reinstatement and didn't tell them. They said that once again the big corporation wins against a single person. I do understand X's frustration and strength of feeling in this matter. My role is to make a decision about whether Oodle has done something wrong based on the individual circumstances of X's complaint.

The payment X refers to was made after the agreement was terminated so there wasn't an agreed schedule in place as the original one had broken. And as I mentioned above X hasn't been able to provide any reassurance that a plan is affordable either by completing an income and expenditure submission at the time or by making further payments since that £600 payment.

I'm sympathetic to the fact this is not the news X would like but I'm satisfied Oodle hasn't done anything wrong. By this decision Oodle will be aware that X may still be in financial difficulty as by their own words they still "live" with friends. X should contact Oodle to discuss next steps.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask X to accept or reject my decision before 10 September 2025.

Maxine Sutton
Ombudsman