

## The complaint

With the help of a professional representative (PR), Mrs L and Mr S complain that Go Car Credit Limited lent to them irresponsibly. For ease, I'll refer to the actions of the PR as being those of Mrs L and Mr S.

## What happened

Mrs L and Mr S entered into a hire purchase agreement (HP) with Go Car Credit to acquire a used car. The terms of the HP were as follows:

Date	Cash price of car	Amount of credit	Term	Monthly repayment	Total payable
27 November 2020	£10,400	£10,000	48 months	£416.88	£20,410

On 27 October 2024, Mrs L and Mr S complained to Go Car Credit. They said Go Car Credit had failed to undertake a reasonable assessment of their creditworthiness before entering into the HP. They said their *“overall contractual debt...excluding their mortgage was £428”* and so *“the checks carried out...should have been more rigorous”*. To resolve the complaint Mrs L and Mr S asked Go Car Credit to refund charges and interest plus statutory interest at 8% simple, and to remove any adverse information from their credit files for this HP.

Go Car Credit looked into their complaint and issued a final response letter. It explained that it had carried out a review of both parties' credit file. It had verified their income through banks statements they had provided. Mrs L and Mr S provided details of their expenditure, and this was discussed over the phone as part of the application process. Go Car Credit said Mrs L and Mr S made all repayments on time until April 2022, when they said they could no longer afford the repayments because Mrs L's income had decreased. Go Car Credit said it was satisfied that its checks were thorough, and the HP was affordable at the point of sale.

Mrs L and Mr S didn't accept Go Car Credit's response, so they referred their complaint to our service. One of our investigators looked into it. She felt the checks Go Car Credit had carried out were reasonable and proportionate and that it had reached a fair decision to lend. She didn't uphold the complaint.

Mrs L and Mr 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.

Go Car Credit needed to carry out reasonable and proportionate checks to ensure that it didn't lend to Mrs L and Mr 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 Go Car Credit carry out reasonable and proportionate checks to satisfy itself that Mrs L and Mr S were in a position to sustainably meet the repayments?
- If not, what would reasonable and proportionate checks have shown at the time?
- Did Go Car Credit make a fair lending decision?
- Did Go Car Credit act unfairly or unreasonably towards Mrs L and Mr S in some other way?

Go Car Credit had to carry out reasonable and proportionate checks to satisfy itself that Mrs L and Mr 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 them. 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 borrowers.

I can see that Go Car Credit obtained bank statements and spoke to Mrs L and Mr S about their expenditure on the phone. It used the information provided by the consumers to verify their income and expenditure to ensure the calculation it did regarding affordability was accurate. It worked out that they had a monthly disposable income of £746 from which it deducted a further £300 as a buffer for emergencies. This still left Mrs L and Mr S with enough disposable income to repay this agreement.

I note that an "*I&E Summary*" is included on the HP agreement just above where Mrs L and Mr S signed it. It says that the consumers "*confirm the Income and Declared Expenditure statement is a fair representation*" of their current circumstances. It goes on to say they confirm they can afford the repayments and know of no reason why their ability to do so would change.

Go Car Credit describes itself as a "specialist sub-prime lender" so it specialises in providing finance for consumers who have impaired credit ratings. It looked at the credit file of both Mrs L and Mr S. It saw that there was some adverse information in the form of County Court Judgments and defaults, but bearing in mind the market within which it operates, this isn't unusual. The most recent adverse information was from over six months before this application, so Go Car Credit regarded them as historic.

I think the steps Go Car Credit took to assess Mrs L and Mr S's application for finance were reasonable and proportionate, and I think it reached a fair decision to lend to them.

Did Go Car Credit act unfairly or unreasonably towards Mrs L and Mr S in some other way?

I've looked carefully at all the evidence provided by each party to this complaint. I note that Mrs L and Mr S maintained the agreement for 15 months until their circumstances changed. I've seen nothing which suggests Mrs L or Mr S contacted Go Car Credit to say they were having problems with the repayments until their circumstances changed.

For the reasons I've already given, I don't think Go Car Credit lent irresponsibly to Mrs L and Mr S or otherwise treated them 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 Mrs L and Mr S to accept or reject my decision before 13 October 2025.

Richard Hale  
**Ombudsman**