

The complaint

Miss K says Advantage Finance Ltd ('Advantage'), irresponsibly lent to her. She says it didn't take reasonable steps to ensure she could afford the repayments towards a hire purchase agreement to purchase a car. And Advantage hasn't treated her fairly in respect of a subject access request she made, and her vulnerabilities.

What happened

This complaint is about a hire purchase agreement that Miss K took out to purchase a car in August 2023. The vehicle had a retail price of £12,975 and all of this was financed.

This agreement was to be repaid through 48 monthly instalments of £402.81 followed by a final repayment of £602.81. If Miss K made the repayments in line with the credit agreement, she would need to repay a total of £19,937.69. Miss K has had problems repaying the agreement.

Miss K has complained to Advantage. Advantage considered this complaint, and it didn't uphold it. It thought it'd done proportionate checks, which showed that Miss K could afford the lending. It didn't think that it had lent irresponsibly to her. Miss K didn't agree with this and brought her complaint to the Financial Ombudsman Service.

Our Investigator didn't uphold Miss K's complaint. He thought Advantage did proportionate checks and these showed the loan was affordable.

Miss K didn't agree with the Investigator. She largely reiterated the complaint points she has made throughout the complaint, these are in summary:

- Advantage didn't make an adequate affordability check, and this had led to her taking out credit that was unaffordable. The information Advantage has used is factually incorrect.
- The absence of a complete affordability check, and the unsustainable nature of the repayments, have led to an unfair relationship being formed between her and Advantage.
- Her subject access request has not been properly dealt with, and the information provided didn't show that her affordability was properly assessed.
- She has not been treated fairly as a vulnerable customer.

There was some further correspondence and Miss K was provided with the information Advantage gave to the Financial Ombudsman Service in respect of its affordability assessment. But no new issues were raised.

Because Miss K didn't agree, this matter has been passed to me to make a final 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 general approach to complaints about unaffordable or irresponsible lending on our website, and I've taken this into account in deciding Miss K's case. The details about what checks Advantage did, and what they showed, are well-known to both parties, so I won't repeat them again here in detail. The facts about how Advantage assessed this lending aren't in dispute, so I'll focus on giving the reasons for my decision.

I've decided the credit was provided fairly because:

Advantage has explained that it asked Miss K for some information at the time of sale and she told it that she was divorced or separated and living in rented accommodation. It then used a credit reference agency ('CRA') tool to verify her earnings. It also found out about her existing debt from a credit reference agency and used Office of National Statistics ('ONS') and some other sources of information to estimate her other expenditures. These checks showed the lending was affordable for Miss K.

Miss K has said that Advantage hasn't followed the Financial Conduct Authority's ('FCA') rules as it shouldn't have relied solely on the CRA income verification to assess the lending. But it hasn't done this, it has used several other sources of information such as the information on her credit file and the statistical information. It's worth noting that the FCA's rules also say the use of statistical information is reasonable where appropriate. I think it is here.

Miss K has provided some further detail about her circumstances which she says shows the amounts Advantage used in its assessment were incorrect. Whilst I've noted these I don't think Advantage needed to look at her circumstances in this amount of detail, I don't think this would have been proportionate here.

In saying this I've borne in mind that the checks Advantage did show Miss K was employed with a reasonable income, she didn't have a significant amount of other credit and there were no recent repayment problems to this or things like her utility bills or car insurance (she'd had some problems four years ago). She was also obtaining a vehicle which it's reasonable to assume she required for her day to day living or to get to work or similar.

Overall, I think the checks Advantage did were proportionate and they showed the lending was likely to be affordable to Miss K, I don't think that Advantage has lent irresponsibly here.

Did Advantage act unfairly or unreasonably in some other way?

Miss K has said that Advantage didn't properly deal with a subject access request. It's beyond my remit here to consider whether Advantage has properly complied with the legislation about this. And further information about the subject access request has not been provided about it in any event. I can see that Miss K has referred this to the Information Commissioner's Office.

But Miss K's disagreement with this does seem to centre on what the information the subject access report showed about the lending decision. I have fully considered the lending decision above, regardless of what the information was, or wasn't shown in the subject access request.

Miss K has also said that Advantage hasn't treated her fairly in respect of her vulnerabilities. Again, this seems to concern the lending decision itself.

Miss K has said that she is in financial difficulty at present. I can see that she is having some problems, and I hope things improve for her going forward. But I can also see that she has been in receipt of assistance from Advantage about this. I don't think it has treated her unfairly or unreasonably.

Whilst I think it's reasonable to say that Miss K will need to repay the amounts under the agreement I would remind Advantage of its responsibilities to treat her with forbearance going forward, as it has done in the past.

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 Miss K 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.

I haven't seen anything to make me think Advantage acted unfairly or unreasonably in some other way.

My final decision

For the reasons set out above, I don't uphold Miss K's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss K to accept or reject my decision before 17 February 2026.

Andy Burlinson
Ombudsman