Financial Ombudsman Service

The complaint

Mr A complains that Oodle Financial Services Limited declined to reimburse him loss of earnings when he had been unable to use a van supplied via a hire purchase agreement because it wasn't of satisfactory quality.

What happened

Mr A entered into a five-year hire purchase agreement which was used to finance a van in January 2024. Mr A began to experience problems with the van which would go into limp mode. And in April 2024, he was advised not to use it while investigations were undertaken as to what was wrong.

Mr A complained to this service about Oodle's handling of the faulty van. Oodle agreed that as the van wasn't of satisfactory quality Mr A was entitled to reject it and end the agreement. This service considered what would be a fair settlement which included reimbursement of some of the monthly payments Mr A had made under the agreement, £150 to cover alternative transport and £150 compensation for having to deal with the faulty vehicle. Mr A also raised being reimbursed lost earnings but was advised this wasn't something this service would award and that he should liaise with Oodle.

Mr A approached Oodle over his loss of earnings. He said that the day that he had been told not to use the van any longer had coincided with a temporary new role at work for which he was to be paid £185.75 per day for a six-day week from April until June 2024. He said this would have meant earnings of £15,602 but, without use of the van, he had lost this contract as he'd only been able to work for one day. Mr A supplied an email from his employer setting out the contract's start and end dates, the daily fee and brief details of the role. Mr A also supplied an email from his employer confirming that, without the use of the van, the contract would be ended early.

Oodle asked Mr A to provide copies of his bank statements to show his monthly earnings between May and July 2024. And it said that, on looking at Mr A's bank statement it was satisfied that his earnings in the period he had been without the van had been in line with his previous income. Oodle said there was insufficient evidence Mr A had incurred a loss.

Mr A disagreed with Oodle's decision and made a new complaint to this service about Oodle's approach to his loss of earnings.

Our investigator didn't recommend Mr A's complaint should be upheld. She said it is difficult to assess exact losses, but she didn't think Mr A's loss of earnings would have been reasonably foreseen by Oodle. Our investigator said she didn't think Oodle would have been aware of the purpose of the vehicle financed by the hire purchase agreement.

Our investigator also said that she thought didn't think Mr A had done enough to mitigate his loss of earnings. She said that, although Mr A had said he couldn't afford to hire a van for this period that when looking at the new role he was going to undertake, it didn't appear he would have needed a van every day, and could have arranged one for part of the week instead which would have been cheaper.

Mr A asked for an ombudsman to review his complaint as he didn't think our investigator had taken into account that the daily fee had been fixed for a set period and evidence of that had been provided as had evidence he had lost the contract. He also said that the investigator was mistaken about not needing the van each day and that he couldn't afford to replace it at the time. He said Oodle hadn't assisted him in providing alternative transport.

The complaint as therefore been passed to me for 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.

As the hire purchase agreement entered into by Mr A was a regulated consumer credit agreement, then this service is able to consider complaints relating to it. As Oodle had been the supplier of the goods then under this type of agreement and it was responsible for a complaint about their quality.

I've seen that Mr A has received a settlement from Oodle with assistance from this service but that hadn't included being reimbursed for any loss of earnings. Mr A has explained that he had taken on a temporary contract between April and June 2024 for a fixed daily fee which was above his usual income level. He says that Oodle has acted unfairly in saying his earnings were in line with his average income for that period. He says it hasn't recognised his new role.

I've seen that there isn't a written contract between Mr A and his employer about this temporary role although there is an email setting out the dates, daily fee and the days to be worked by Mr A. It also provides some limited details about the role. There is also an email from the employer confirming that this contract was ended because Mr A was unable to fulfil it without his van.

When considering reimbursement of loss of earnings and other losses that may arise from a breach of a contract there are some things that I need to consider before I can require a party to pay to make a payment. The first is whether the loss was foreseeable, and here I don't think I can reasonably say that it was. Although Oodle provided the finance for the vehicle and is responsible for its quality, I haven't seen any evidence it was aware Mr A was acquiring a van for work and that if it wasn't of a satisfactory condition then Mr A wouldn't then be able to earn.

I would also need to be satisfied that any reimbursement was for the actual loss that had been incurred. That is can I accurately calculate the amount Mr A lost by not being able to fulfil the temporary contract. Here, I accept there is a daily rate set for Mr A's temporary role, but as he is self-employed then I think it's reasonable to expect that from any earnings there would be deductions for various costs such as petrol, insurance, wear and tear etc. I've also seen that Mr A was able to earn some money from another role during this period. This means that I'm not persuaded I can accurately quantify the loss to Mr A and, without being able to do so, I can't fairly ask Oodle to cover that loss.

There is also an expectation that a party mitigates their loss, so here that would be seeking alternatives such as hiring/borrowing another van. I appreciate Mr A says this was unaffordable as he needed one six days a week, but I don't know if there may have been other options he could have explored such as re-jigging the role which was a training one and which involved time being classroom based. But I accept this may not have been possible.

I have also seen, as set out above, that Mr A was able to earn an income although he says it wasn't at the level this new contract would have provided, so I think he did try and mitigate some of his lost earnings.

However, even if it wasn't possible for Mr A to fully mitigate his loss as I don't think this loss of earnings was either foreseeable by Oodle and/or quantifiable, then I don't think I can reasonably require Oodle to make a loss of earnings payment to Mr A.

Mr A has raised issues in his response to the investigator about Oodle's handling of the faulty van and the time it took to resolve that. I haven't responded to that part of his complaint because that was something that would have been taken into account in his first complaint to this service, it isn't something I can look at in respect of the loss of earnings. I can only look at whether Oodle has acted fairly in its decision about whether Mr A should be reimbursed for any lost earnings.

So, while I appreciate this will be of disappointment to Mr A, for the reasons set out above, I'm not upholding his complaint.

My final decision

For the reasons set out above, I'm not upholding Mr A's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 29 August 2025.

Jocelyn Griffith
Ombudsman