

The complaint

Mr C and Mrs C complain that Oodle Financial Services Limited trading as Oodle Car Finance didn't tell them that there was an outstanding balance on their account for over 13 months after the agreement was settled.

What happened

Mr C and Mrs C were supplied with a car and entered into a hire purchase agreement with Oodle.

The account was settled on 18 January 2024. Oodle sent Mr C and Mrs C an email on 23 January 2024 confirming that they had received a settlement payment of £17,252.91. Mr C was supplied with a new car and took out a finance agreement with Oodle in his own name.

On 14 February 2025 Mrs C received an email and a text message advising her that there was an outstanding balance on the account.

Mr C and Mrs C contacted Oodle and said there must've been an error as they had settled the agreement over 13 months ago and hadn't heard anything during that time. Oodle said the outstanding balance related to a missed payment in December 2023.

Mr C and Mrs C then discovered that the missed payment had been reported on their credit files. They complained to Oodle.

Oodle upheld the complaint in relation to the lack of communication about the missed payment. It said the arrears on the account were correct as the contractual monthly payment due on 29 December 2023 hadn't been paid, which had put the account into arrears. Oodle said that Mr C and Mrs C remained liable to pay the outstanding balance of £594.03.

Mr C settled the arrears on 11 April 2025 but remained unhappy with Oodles response and brought his complaint to this service.

Our investigator upheld the complaint. She said Oodle should pay compensation of £200 to Mr C and Mrs C for the delay in contacting them about the arrears and remove any adverse information from their credit reports from December 2023 to the present.

Mr C didn't agree. He said the compensation wasn't enough. He said the letter dated 23 January 2024 from Oodle stated that the account had been settled. Mr C said he wanted his payment of £594.03 refunded by way of compensation.

Because Mr C and Mrs C didn't agree I've been asked to review the complaint.

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 know it will disappoint Mr C and Mrs C, but I agree with the investigator's opinion. I'll

explain why.

I've read and considered the whole file, but I'll concentrate my comments on those points which are most relevant to my decision. If I don't comment on a particular point, it's not because I've failed to take it on board and think about it, but because I don't think I need to comment on it in order to reach what I think is the right outcome.

I've carefully reviewed the information provided by both parties. I can see that a settlement figure of £17,252.91 was generated by Oodle on 13 December 2023. The settlement figure was valid for 28 days. Mr C and Mrs C paid the settlement figure on 28 December 2023.

A letter from Oodle dated 23 January 2024 confirmed that a payment of £17,252.91 was applied to the account and the agreement was settled. The letter advised Mr C and Mrs C to cancel the direct debit mandate to stop the regular payment to Oodle.

Mr C has told this service that he cancelled the direct debit payment in December 2023 because he was paying the settlement figure.

This is where I believe the issue arose. Based on what I've seen, the settlement figure provided by Oodle in December 2023 was calculated on the basis that the contractual monthly payment due in December would be paid as normal. So, when Mr C and Mrs C paid the settlement figure but cancelled the direct debit so that the December contractual monthly payment wasn't made, this led to a missed payment on the account.

Oodle has stated that the direct debit due on 29 December 2023 was recalled by Mr C and Mrs C's bank. They have explained that the recall of the direct debit caused a system error which wasn't picked up. The system error meant that no communications were sent to Mr C and Mrs C about the arrears until February 2025 when the shortfall was identified.

I appreciate that Mr C has since paid the arrears. I'm satisfied that the arrears were correct so I can't see a case for requiring Oodle to return that payment. However, I do recognise that Oodles failure to promptly notify Mr C and Mrs C about the arrears and the negative reporting on Mr C and Mrs C's credit file has caused them distress and inconvenience. So I think it's right that Oodle take steps to compensate Mr C and Mrs C and make sure there's no lasting impact on their credit files.

Putting things right

Oodle has stated that it has to report accurate information to the credit reference agencies. This is correct – Oodle – like all lenders – is under an obligation to report accurate information to the credit reference agencies. Oodle has stated that it didn't report a missed payment, but it did report the account status – which showed arrears. On one analysis I don't think Oodle made an error by reporting the account status. However, Oodle are at fault here for allowing the arrears to exist for longer than necessary. I think Mr C and Mrs C would have settled the arrears immediately if Oodle had contacted them about the missed payment in January 2024. Because of this, I don't think it's fair that Mr C and Mrs C should have any negative information on their credit files in relation to this account. I agree with the investigator that Oodle should remove all adverse information from December 2023 onwards to the present day.

I've thought about what level of compensation is fair and reasonable here. I appreciate that Mr C wants a sum equivalent to the payment he made (£594.03). However, that's not the way in which this service approaches compensation. I've thought about the impact of what's happened on Mr C and Mrs C, and I think the sum of £200 is fair and reasonable, and in line with this services guidelines on awards of compensation.

My final decision

My final decision is that I uphold the complaint. Oodle Financial Services Limited must:

Pay Mr C and Mrs C compensation of £200 for distress and inconvenience

Remove any adverse information from their credit reports from December 2023 to present.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C and Mrs C to accept or reject my decision before 27 October 2025.

Emma Davy
Ombudsman