

The complaint

Mr G complains that Oodle Financial Services Limited (Oodle) hasn't made a fair offer to settle his complaint about a car it supplied to him under a hire purchase agreement, which Oodle has accepted was of unsatisfactory quality.

What happened

In May 2024, Mr G took out the hire purchase agreement for a used car. The cash price of the car was £26,980. Under the agreement, Mr G made an advance payment of £1,805 and a first monthly payment of £702.45. He was then to make 58 monthly payments of £652.45 followed by a final payment of £702.45.

In July 2024, Mr G complained to Oodle about some problems he was having with the car, which (in short) resulted in the dealership that supplied it carrying out successful repairs.

In February 2025, Mr G complained to Oodle again about some new problems he was having with the car. He said these made it undriveable, so he wanted to reject it.

In June 2025, Oodle gave Mr G its final response and upheld his complaint. Oodle accepted Mr G's rejection of the car and said it would unwind his agreement, refund all his monthly payments and remove all references to the hire purchase agreement from his credit file. Oodle also said the supplying dealership would refund Mr G his advance payment, which I understand has happened.

Mr G had already referred his complaint to us before Oodle gave him its final response. He wasn't happy with Oodle's offer to settle his complaint, saying he'd also incurred car hire costs and paid insurance for a car he couldn't drive, which he wanted Oodle to reimburse.

Our investigator upheld Mr G's complaint. Because Oodle had accepted Mr G's rejection of the car, our investigator focussed his view on its offer to resolve things. Our investigator didn't think it would be fair to ask Oodle to reimburse Mr G's car hire costs, since it had agreed to reimburse all his monthly payments under the hire purchase agreement, including for times when he had had the use of his car. But our investigator did think Oodle should reimburse Mr G for four months of car insurance payments and pay him £250 for the distress and inconvenience it had caused him.

Mr G accepted our investigator's view. Oodle didn't. It did, though, agree it should've accepted rejection sooner, so it offered to reimburse Mr G's car insurance payments for two months, rather than four.

Mr G has turned down Oodle's offer and so his complaint has come to me to decide.

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've also considered the relevant law and regulations, any regulator's rules, guidance and standards, any codes of practice, and (if appropriate) what I consider was good industry practice at the time.

Having done so, I've decided to uphold Mr G's complaint in part. I'll explain why.

Mr G was supplied with a car under a hire purchase agreement. This is a regulated consumer credit agreement which means we're able to investigate complaints about it against Oodle.

The Consumer Rights Act 2015 (CRA) covers agreements such as Mr G's. Under the agreement, there's an implied term that the goods supplied will be of satisfactory quality. The CRA says that goods will be considered of satisfactory quality where they meet the standard that a reasonable person would consider satisfactory – taking into account the description of the goods, the price paid and other relevant circumstances. The CRA says the quality of the goods includes their general state and condition, as well as other things like their fitness for purpose, appearance and finish, freedom from minor defects, safety and durability.

So, if I thought the car was faulty when Mr G took possession of it, or that it wasn't sufficiently durable, and this made it not of a satisfactory quality, it'd be fair and reasonable to ask Oodle to put this right.

In this case, Oodle accepts the car is of unsatisfactory quality. So I'm satisfied I don't need to look at the merits of this issue in my decision. Instead, I'll focus on what I think Oodle should do to put things right for Mr G.

Mr G's car was off the road due to the problems he was having with it. So – as a starting point – I'd expect Oodle to arrange to keep him mobile or to refund him his monthly payments for periods when he didn't have the use of the car. For some of the time his car was off the road, Mr G had the use of a courtesy car. And Oodle has agreed to refund Mr G all of his monthly payments, including for periods when he was able to use his car.

Mr G has recently sent us all the invoices he has for his car hire costs and I can see they were substantial. But, from what I can tell, they don't exceed the refund of monthly payments Oodle has agreed to make. So I don't think it would be fair and reasonable to direct Oodle to reimburse Mr G for his car hire costs.

Mr G has told us he paid car insurance on a car he couldn't drive. It was in early February 2025 that Mr G complained to Oodle about the new issues he was having (the car having, as I've mentioned, already been repaired once before). But it wasn't until early June 2025 that Oodle accepted Mr G had the right to reject it. Oodle agrees it should've accepted Mr G's rejection of the car sooner than it did. But it has offered to reimburse Mr G for only two months of his car insurance payments, not four. It says it couldn't accept Mr G's rejection of the car immediately without investigating his complaint which, under our rules, it has eight weeks to do.

But when a business has done something wrong and a consumer has lost out as a result, the business has a duty to put things right from the date they went wrong. In Mr G's case, I think it's fair and reasonable to say that date was at the beginning of February 2025. From this it follows that Oodle should reimburse Mr G for all the car insurance payments he made from February to June 2025; that is, for four months. For the year to 30 May 2025, Mr G's annual insurance premium was £4536.87, which he paid by monthly direct debit. So I think that means Oodle should reimburse Mr G around £1,512 for his car insurance payments.

Looking at Mr G's case file, it's clear he's experienced distress and inconvenience because of Oodle's failure to supply him with a car of satisfactory quality. Oodle has acknowledged delays and other failings in its customer service and Mr G has told us of the stress these things have caused him. So I think it's fair and reasonable that Oodle pays Mr G £250 in compensation for the distress and inconvenience it's caused him.

My final decision

For the reasons I've given, I uphold Mr G's complaint and direct Oodle Financial Services Limited:

- If it hasn't done so already, to end Mr G's hire purchase agreement with nothing more to pay and collect the car at no cost to Mr G.
- If it hasn't done so already, to remove any adverse entries relating to the hire purchase agreement from Mr G's credit file.
- If it hasn't done so already, to refund all the monthly payments Mr G has made under the hire purchase agreement.
- To reimburse Mr G his car insurance costs for four months from 7 February 2025 to 3 June 2025, as long as Mr G shows Oodle proof of payment.
- To apply 8% simple yearly interest on the above refunds and reimbursements, calculated from the date Mr G made the relevant payment to the date of the refund/reimbursement.[†]
- To pay Mr G £250 to compensate him for the distress and inconvenience caused by being supplied with a car that wasn't of a satisfactory quality.

[†]If Oodle Financial Services Limited considers that tax should be deducted from the interest element of my award, it should provide Mr G with a certificate showing how much it has taken off so he can reclaim that amount, if he's eligible to do so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 19 November 2025.

Jane Gallacher
Ombudsman