

The complaint

Miss B complains that Oodle Financial Services Limited trading as Oodle Car Finance provided her with an unaffordable hire purchase agreement.

What happened

In January 2020 Oodle provided Miss B with a hire purchase agreement for a car with a cash price of around £6,500. Miss B paid a deposit, part exchanged a previous car and required additional finance to settle a previous agreement. As such she received around £7,100 of finance. This credit agreement had a term of 60 months with instalments of around £200. The total repayable value, including the deposit, interest and fees was around £11,830.

Miss B complained to Oodle in March 2025 about unaffordable lending, saying proportionate checks should have led to it identifying this agreement wasn't affordable for her. She also complained about the cost and fees of the agreement. Oodle issued its final response in April 2025 in which it didn't uphold Miss B's complaint. Unhappy with Oodle's response, Miss B referred her complaint to our service.

One of our investigators reviewed the details of Miss B's complaint and upheld it. They said Oodle's checks weren't proportionate to the terms of lending being provided, and what it had identified about Miss B's finances. They went on to consider what Oodle would more likely have identified through proportionate checks, and went on to conclude that it hadn't made a fair lending decision when providing Miss B with this agreement.

Oodle disagreed with our investigator's view. In summary, it maintained its position that this agreement was sustainably affordable for Miss B, and therefore that it had made a fair lending decision. Oodle asked for an ombudsman's review, so the complaint has been passed 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.

The information in this case is well known to Miss B and Oodle, so I don't intend to repeat it in detail here. Instead, I've focused my decision on what I consider to be the key points of this complaint; so, while my decision may not cover all the points or touch on all the information that's been provided, I'd like to assure both parties I've carefully reviewed everything available to me. I don't mean to be discourteous to Miss B or Oodle by taking this approach, but this simply reflects the informal nature of our service.

We've set out our approach to complaints about irresponsible and unaffordable lending as well as the key rules, regulations and what we consider to be good industry practice on our website. I've taken this approach into account in deciding Miss B's case.

Having considered everything I'm upholding Miss B's complaint, as I've decided this hire purchase agreement wasn't provided fairly. I say this because:

- I don't consider the checks Oodle completed before providing this credit agreement were reasonable and proportionate, given the terms of credit being provided and that Miss B's credit file showed recent and historic adverse information.
- Had Oodle completed proportionate checks, I don't think it's likely these would have shown it was fair to provide Miss B with this credit agreement. I say this based on reviewing Miss B's bank statements in the three months leading up to this lending as well as other supporting financial evidence from around the time – which allow me to understand what proportionate checks at the time would more likely than not have shown Oodle.
- These statements evidence Miss B's income, some non-discretionary expenditure and regular commitments. Miss B has also provided additional evidence of rental payments and arrears, as well as information about arrears with other credit accounts (which Oodle had in part identified through its credit check).
- Taking this information into account I'm persuaded proportionate checks should have led to Oodle identifying Miss B was likely to be unable to sustainably repay this agreement; as the evidence shows she was already in financial difficulties, and by providing this credit agreement Oodle would be causing further financial difficulties and harm.
- I've considered Miss B's concerns about the costs and fees associated with this agreement; however, as I'm upholding this complaint I'm satisfied I don't need to consider these further.

This means I don't think Oodle should have provided Miss B with this hire purchase agreement in January 2020.

I've also considered whether the relationship might have been unfair under s.140A of the Consumer Credit Act 1974. However, I'm satisfied the redress I'm awarding in this case, as set out below, results in fair compensation for Miss B in the circumstances of this complaint. I'm therefore satisfied, based on what I've seen, that no additional award would be appropriate in this case.

Putting things right

As I've found above that Oodle made an unfair lending decision when providing this agreement, it follows that Miss B shouldn't be required to repay any figure above the original cash price of the car.

To settle Miss B's complaint Oodle should do the following:

- End the agreement with nothing further to pay and transfer ownership of the vehicle to Miss B.
- Refund any payments Miss B has made in excess of £6,499, representing the original cash price of the car. It should add 8% simple interest per year* from the date of each overpayment to the date of settlement.
- Remove any adverse information reported to Miss B's credit file regarding the agreement.

*HM Revenue & Customs requires Oodle to take off tax from this interest. Oodle must give Miss B a certificate showing how much tax it's taken off if she asks for one.

My final decision

My final decision is that I'm upholding Miss B's complaint and Oodle Financial Services Limited trading as Oodle Car Finance must put things right as I've directed above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 5 January 2026.

Richard Turner
Ombudsman