

## The complaint

Mrs L complains about STARTLINE MOTOR FINANCE LIMITED in that she says it approved three separate car finance agreements in succession when proper checks carried out by it would have shown she could not afford these.

## What happened

Here is a table giving some details of the three agreements.

Agreement	Approved	Cash price	Total amount repay	Repayments monthly
One	14 March 2017	£13,090 Deposit £100	£23,131.80 being interest £9,742.80 + £299 fee	£378.88 x 59 £677.88 x 1
14 October 2019 early settlement £9,146.96 and rebate on Agreement One of £2,605.91. Condition was Agreement One be settled.				
Two	30 September 2019	£23,262.96	Total charge for credit £9,275.17 option fee £10. Total to pay £32,548.13	£505.12 x 47 months 1 final £8,797.49
Condition was that Agreement Two had to be settled. 25 October 2021 early settlement bank transfer £8,131.84 and rebate £2,990.80.				
Three	21 October 2021	£17,143 Deposit £2,670.67	£14,472.33 needed to buy car and charge for credit £6,517.27 including £10 fee. Total payable £23,660.27	£349.66 x 59 months £359.66 x 1
Sold to a different dealer and went on to settle when took new finance with a different lender. 30 July 2024 £8,416.44 early settlement bank transfer and rebate £1,384.04.				

I was sorry to read of Mrs L's bereavement in 2024.

After Mrs L had complained in 2024 she received Startline's final response letter and then referred it to the Financial Ombudsman Service. As the first agreement had been taken out more than six years before the complaint date our investigator asked it about that. Startline gave its consent for that part of the complaint to be investigated.

Our investigator reviewed it all and issued a non-uphold view. Mrs L disagreed and so the unresolved complaint was passed to me to decide.

After I had reviewed the complaint, I asked both parties for some additional information. A reply deadline was given and Mrs L has not responded. We said to Mrs L that *'If we don't hear from you by the 11 December 2025 the Ombudsman may proceed to issue their decision using the information currently available to them.'*

No information has been received. So, in the interests of resolution, I have chosen to proceed to 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 explained how we handle complaints about irresponsible and unaffordable lending on our website. And I've used this approach to help me decide Mrs L's complaint. Startline needed to make sure that it didn't lend irresponsibly. In practice, what this means is that it needed to carry out proportionate checks to be able to understand whether any lending was sustainable for Mrs L before providing it.

Our website sets out what we typically think about when deciding whether a lender's checks were proportionate. Generally, we think it's reasonable for a lender's checks to be less thorough – in terms of how much information it gathers and what it does to verify that information – in the early stages of a lending relationship. But we might think it needed to do more if, for example, a borrower's income was low, the amount lent was high, or the information the lender had – such as a significantly impaired credit history – suggesting the lender needed to know more about a prospective borrower's ability to repay.

I have reverted to the specific wording and detail in the Financial Conduct Authority (FCA) Consumer Credit Sourcebook (CONC) Chapter 5 on responsible lending to assist me in relation to this complaint. I do not set out the FCA wording here as it is available online.

When considering whether creditworthiness assessments were reasonable which is what the FCA require it to be, there are a number of considerations to guide Startline that the checks were proportionate: CONC 5.2A.20R. It was not expected that there was a full financial review of every aspect of Mrs L's circumstances for each application.

Proportionality can be seen as doing reasonable checks within the full context of the finance agreement application, what it was for and other details. I can't improve on some of the wording in the guide paragraph CONC 5.2A.21: *Certain factors may point towards a more rigorous assessment and others towards a less rigorous one in which case the firm should weigh up the factors before deciding what type of creditworthiness assessment is required.*

### **Agreement One March 2017**

Mrs L's income was TAC verified which means that Startline used a tool associated with a credit reference agency (CRA) to check what Mrs L earned. I've not seen a figure in the details I've been provided about Agreement One.

Startline carried out a credit search and Mrs L's credit commitments were not excessive. Mrs L paid towards a mortgage at £165 a month. It is unclear whether this was a joint mortgage or not. Mrs L had three credit cards; one was over limit and the total limit across all three cards was £4,500 of which £4,463 had been used. The minimum repayment expected on a debt of that nature usually is around 3% of the total and so the combined monthly minimum repayment expected on those cards was likely to have been around £134. Mrs L had accounts for telecoms and home credit costing around £174 a month. So, the total credit cost to her was around £473 a month which did not appear to have been a great deal.

Overall, I consider that Startline carried out proportionate checks and what those checks revealed would not have led it to consider that additional checks were required before lending. I do not uphold the complaint about the first car finance agreement.

During Agreement One in April 2018 Mrs L had to do an Income and Expenditure (I&E) due to arrears on the agreement. I asked Startline for a copy of that and it replied: *'The customer was sent an I&E form to complete, but we never received this back.'*

### **Agreement Two September 2019**

Mrs L applied to Startline for further finance to trade up to a different car in September 2019. Mrs L's income was declared as £3,120 gross a month and its records show that it

calculated it was £2,416 after tax. Startline used the same TAC method used before to verify that income. It carried out a credit search and I've reviewed the CRA results. Mrs L's mortgage cost was £184, she had a loan at £243 a month, she had two telecoms accounts and a home credit loan costing £121 a month. It commenced in May 2019.

The concerning element was that there were several defaults on credit cards and these were dated February 2018, January 2019 & February 2019. Mrs L had a default on a utility account dated September 2018.

There are no details presented by Startline as to how it calculated Mrs L's general household expenditure or, if it used ONS data, those figures have not been presented. And so, I am not satisfied that with this fairly extensive and recent adverse data it chose to rely on ONS statistics. And so, I think it ought to have obtained further financial information from Mrs L. I asked Startline for the ONS data it used for Agreement two but it only sent me details for Agreement three.

Asking Mrs L for further information about her financial situation may have involved her supplying to Startline in September 2019 copies of utility bills, copy payslips and evidence of other expenditure and credit accounts for which she was liable. A convenient method, one of several available, was to have reviewed copies of Mrs L's bank account statements which usually show a wider picture of her finances and how she was managing her money.

However, I have asked Mrs L for this information so that I could look to see what it is that Startline may have seen if it had asked her for more information in September 2019. I have received nothing from Mrs L. On the evidence I've got, I consider that Startline had enough to calculate that she could afford the car finance payments for Agreement Two.

During Agreement Two, in May 2020 Mrs L called Startline to say that her husband had been furloughed and was on 80% wages. Startline explained it could only do a reduction in June 2020 as her request was too close to the Direct Debit (DD) payment on 10 May 2020 to alter it now. The agreement was paid by Mrs L each month.

### **Agreement Three October 2021**

Mrs L traded up to a different car and applied to Startline again. I requested more information from Startline and it sent me this:

*"The ONS data was used for agreement [three]:*

*£2,967.00 (verified income) -*

*£1,006.18 (credit commitments including mortgage payments)*

*£349.66 (proposed monthly instalment) –*

*£993.00 (ONS cost of living which includes £100.00 for discretionary spending)*

*= £618.16 for discretionary spending."*

And I have seen notes made by Startline that it had Mrs L's gross income as £3,917 which it calculated to be £2,967. So, it had calculated that Mrs L had enough left over.

On the CRA search it carried out for Mrs L there were two new residential second mortgage agreements starting September 2019 and April 2021 costing £549 and £421 plus the usual £151 for the main mortgage. These add up to be £1,121. This was a little higher than the £1,006 Startline has said to me recently.

Mrs L had taken six new credit cards in 2021. The combined credit limit across the four used ones were £5,250 of which she had used £3,045. The minimum repayment each month for credit cards of that balance was around £91. Mrs L had taken a new loan at £133 a month. All the repayments were fine on the accounts which were open. Mrs L had five defaults from 2018 and 2019.

Startline in its FRL has referred to it being aware that Mrs L had a County Court Judgment (CCJ) but I've not seen evidence of this or of any dates. I asked Mrs L about it but I've not heard back from her.

Because of the defaulted accounts and the additional residential mortgages obtained since taking Agreement two with Startline, I would have expected it to have carried out further checks before lending again. But that is not the end of the assessment of the complaint. For me to be able to make a decision I need to have seen the financial details Startline would have viewed if it had asked Mrs L and carried out further checks.

I wrote to Mrs L to ask her for financial details relating to this period but I've received nothing back from her and no contact at all. So, on the evidence I've been provided with I cannot reasonably say that Startline did anything wrong. I do not uphold the complaint about Agreement three.

### **After Agreement three**

Mrs L told Startline of a job change in November 2022. In January 2023 Mrs L was in arrears and during a call with a Startline representative Mrs L agreed to pay £450 in February 2023 and then do a four month payment plan. Mrs L was informed that there was a *'risk of repo if not paid'*.

In August 2023, Mrs L called to ask for an Early Settlement Quote (ESQ) and whether she could refinance with Startline. But then in August 2024 the vehicle was sold to a different dealer and she used that dealer to obtain fresh finance. On 6 August 2024 Startline sent 'clearance' to the new dealer.

In the circumstances I cannot see any evidence of Mrs L being treated unfairly.

I've also considered whether Startline acted unfairly or unreasonably in any other way and 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 Mrs L 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.

### **My final decision**

My final decision is I do not uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs L to accept or reject my decision before 9 January 2026.

Rachael Williams  
**Ombudsman**