

The complaint

FIRST RESPONSE FINANCE LIMITED ('First Response') provided Mr B with a hire purchase agreement to purchase a car in 2023. Mr B paid a deposit of £500 and borrowed £5,495. He was due to make 49 monthly repayments of £189.41. Mr B says the finance was provided irresponsibly.

What happened

The details of this complaint are well-known to both parties, so I won't repeat them again here. The facts aren't in dispute, so I'll focus on giving the reasons for my 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 set out our general approach to complaints about unaffordable or irresponsible lending on our website, and I've taken this into account in deciding Mr B's case.

I've decided the credit was provided fairly because:

- I think the checks First Response did before providing the credit were reasonable and proportionate given the amount borrowed and the monthly repayments, and what it knew about Mr B's financial situation.
- First Response's checks showed that Mr B earned £2,410.78 a month, and it verified this by looking at his bank statements. It also looked at Mr B's expenditure. Mr B said that he spent £605 a month on housing, and he had childcare costs of £325 a month. It used statistical information to estimate his other expenditures as being just under £700 a month. So, First Response's assessment showed he would likely have enough left over to repay the lending.
- Mr B already had some credit, and he'd been unable to reliably repay this in the past. But the information First Response received from the credit reference agencies showed his problems were historic and didn't continue past the middle of 2022.
- Mr B was in an Individual Voluntary Arrangement ('IVA') due to his past problems. But I can see First Response made enquiries about what debt was included in the IVA, and it found out the repayments Mr B was making to the IVA. This information was included in the affordability assessment it made. And it contacted Mr B's IVA practitioner to make sure it approved of this new lending to Mr B. The IVA practitioner agreed to Mr B starting the car finance.
- Based on the information First Response gathered and what it knew about Mr B's circumstances, there was nothing to suggest that Mr B was likely to be unable to sustainably repay what he was being lent.

- I don't think First Response acted unfairly in any other way.

This means I don't think First Response did anything wrong when it provided the hire purchase agreement to Mr B.

I've also considered whether the relationship might have been unfair under s.140A of the Consumer Credit Act 1974. However, for the reasons I've already given, I don't think First Response lent irresponsibly to Mr B or otherwise treated him unfairly. I haven't seen anything to suggest that s.140A or anything else would, given the facts of this complaint, lead to a different outcome here.

I know this isn't the outcome Mr B hoped for. But for the reasons above, I'm not asking First Response to do anything to put things right.

My final decision

My final decision is that I'm not upholding Mr B's complaint about First Response Finance Limited.

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

Andy Burlinson
Ombudsman