DRN-5825157

The complaint

Mr P is unhappy with how Oodle Financial Services Limited (Oodle) treated him when he got into financial difficulty in relation to a car financed under a hire purchase agreement.

Mr P is represented in this complaint by Miss K.

What happened

In October 2021 Mr P was supplied with a used car through a hire purchase agreement with Oodle. The agreement was for £28,753.92 over 48 months; with 48 monthly payments of £599.04. At the time of supply, the car was around four years old, and had done 55,654 miles.

Mr P complains about how Oodle handled his account when he was in arrears. Miss K informed us that Mr P was medically vulnerable, and under GP care for complex mental health issues. She also told us that Mr P had no fixed abode and was living in the vehicle that is the subject of the agreement.

Miss K said that Oodle were aware of Mr P's circumstances and his vulnerability. She said that despite this, Oodle continued to pursue debt recovery without any adjustment; continued to communicate with him after he was clearly being represented by Miss K; failed to responsibly manage his account as a vulnerable individual; and failed to avoid foreseeable harm where risks to Mr P where the risks had been disclosed to them.

Miss K said that Oodle continued to send sensitive information and account information direct to Mr P, when it knew the serious harm and distress this was causing him.

Miss K also said that Oodle had breached several pieces of legislation. She said that Oodle's offer of £150 compensation and their limited acknowledgement of their failings was wholly inadequate.

Oodle upheld Mr P's complaint. They said they failed to take the necessary steps to prevent further manual contact with him after they'd received the third-party authorisation form and supporting documentation from him. They also agreed that the subject access request information should not have been sent to him. They said they would continue to send automated statutory notices to him, but steps had been put in place to stop further manual correspondence being sent to him. They also confirmed there was no active recovery on his account. They apologised and said they'd paid £150 to him for the inconvenience caused.

Miss K was unhappy with this response, so she referred Mr P's complaint to our service for investigation.

Our investigator said that she was satisfied that Oodle had considered Mr P's financial position and offered repayment plans. She said the arrears amount was very high and to do nothing could put Mr P in a worse financial position. She reminded Oodle of the need to treat Mr P with forbearance and consideration but agreed they could continue with their collections process.

She agreed that Oodle did not need to supply information about their affordability check procedure as part of a DSAR request, as it was business sensitive information.
She also felt that their offer of compensation was a fair offer.

Miss K didn't agree with the investigator. She said the amount of redress was inadequate for the number of repeated breaches, with substantial emotional and legal impact. She said the referral to a third-party recovery agent was unlawful. She said the sharing of Mr P's details with the third-party recovery agent was unauthorised and demonstrated poor data governance.

Miss K also said that:

- Oodle had failed to make reasonable adjustments under the Equality Act 2010; and

- the £300 redress was inconsistent with this service's own standards and precedents.

Because Miss K and Mr P didn't agree, this matter was passed to me to make a final decision.

I issued a provisional decision on 1 September 2025, where I explained my intention to uphold the complaint. In that decision I said:

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome. Where evidence has been incomplete or contradictory, I've reached my view on the balance of probabilities – what I think is most likely to have happened given the available evidence and wider circumstances.

In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and (if appropriate) what I consider was good industry practice at the time. Mr P was supplied with a car under a hire purchase agreement. This is a regulated consumer credit agreement which means we are able to investigate complaints about it.

Financial difficulty

Mr P has been in arrears since October 2022.

Oodle terminated the agreement in March 2024 but haven't yet repossessed the car. They agreed payment plans, before the agreement was terminated, and after. But these failed with Mr P not making the agreed payments.

At the point of termination Mr P was 14 months in arrears, with the arrears totalling £6,900. The amount of arrears has increased since then.

As a regulated firm, Oodle must abide by rules set out by the Financial Conduct Authority (FCA) in its handbook. Section CONC 7.3.4 explains that firms like Oodle: "must treat customers in or approaching arrears or in default with forbearance and due consideration."

I've reviewed the notes provided by Oodle and I'm satisfied they've treated Mr P in line with CONC. They've given him "reasonable time and opportunity to repay the debt".

Mr P still has the car and Oodle have paused repossession action. I think it was reasonable for them to end the agreement due to the arrears on the account. His arrears continue to increase, so his financial position was worsening, and it was reasonable for them to conclude that he would be unable to repay the debt in a sustainable way.

I'm also satisfied that it would be reasonable for Oodle to pass Mr P's details to the third party recovery agent. This would normally form part of the agreement with the lender, as it is necessary for the repossession of the vehicle.

So I don't think it's unreasonable that Oodle now wish to repossess the car. The hire purchase agreement Mr P entered into explains that missing payments will be a breach of the agreement and could lead to Oodle taking possession of the vehicle.

Term 8 states:

> *"If you do not keep your side of the agreement but you have paid at least one third of the agreement, that is £9,584.64 we may not take back the vehicle against your wishes unless we get a court order."*

Mr P has stated that he wishes to keep the vehicle. And Miss K has told us that Mr P was living in the car. I remind Oodle that under Section 90 of the Consumer Credit Act 1974, and the terms of their agreement, if Mr P has paid at least one third of the agreement they are not able to recover the car without a Court Order, unless Mr P gives his consent.

Distress and Inconvenience

Mr P seeks compensation for the distress caused to him by Oodle. Miss K didn't think the award of £300 already offered adequately recognised the impact on Mr P. I agree.

Oodle were aware of Mr P's mental health crisis. They were informed in July 2023 that his mother was taking control of his finances due to his mental health capacity. And in May 2024 Miss K fully explained his mental health situation to Oodle, including his suicidal tendencies.

In June 2024 she agreed a payment plan on behalf of Mr P. Because of this, Oodle agreed to pause collection activity for three months.

Discussions continued about payments over the following months, mainly with Miss K, but Mr P was included in some of the calls. In January 2025 he called Oodle and offered a new payment plan. This was accepted for a period of three months.

Oodle received the form authorising Miss K as Mr P's representative on 20 January 2025. It was at this point that Oodle agreed to use Miss K as the primary contact, subject to Mr P being sent any statutory notifications.

A few days later Oodle attempted to contact Mr P by telephone call and text message. A contact was also made by a third-party recovery agent acting for Oodle. Miss K had also submitted a data subject access request and Oodle sent the acknowledgement to Mr P, despite the request for the response to go only to her.

In April 2025 Mr P was contacted directly again by the third-party recovery agent – instructed by Oodle. It appears that Oodle had not made Miss K aware that this was to happen. Nor did they inform the third-party agent of Mr P's situation – especially his critical mental health condition, that he was living in the car, and that he was represented by Miss K.

A further email was sent to Mr P in May 2025. Oodle told Miss K that this was because Mr P was still recorded as the primary contact.

Oodle were aware that Mr P was in a mental health crisis, including his suicidal thoughts, so should have been extremely aware of the likely impact these communications would have on Mr P. So they should have put the necessary steps in place to prevent direct communication.

Miss K referred to the number of direct contact attempts Oodle attempted in the period July 2023 to January 2025.

I've considered that it wasn't until January 2025 that it was agreed that Miss K would be the primary contact. Both Mr P and Miss K were in regular contact with Oodle before then. I haven't seen any request before January 2025 that Mr P should not be contacted directly. I accept that Oodle were fully aware of Mr P's health, and his housing situation, but it was only after January 2025 that they ignored the agreement to only contact Miss K.

Whilst the communications were only a few in number, they had a significant impact on Mr P – something that Oodle had been warned about. The instruction to the third-party recovery agent was the most serious example of this.

I understand that Oodle now has a process in place to ensure that all contact is made with Miss K.

Miss K has referred to awards made in other decisions the Financial Ombudsman Service has made. The way we consider complaints is that we consider each complaint on its own merits and its own individual circumstances. So, my decision won't be impacted in any way by any decision made on a different complaint.

I also need to make clear that this Service is neither the industry regulator nor a court of law. We don't fine and punish businesses, nor do we award punitive damages. Our role is to assess whether a business has acted fairly and reasonably and, if not, whether it's taken fair steps to put things right.

In this instance, for the reasons given above I think an award of £750 more fairly reflects the impact to Mr P.

Data Subject Access Request (DSAR)

Miss K also complained that as part of her DSAR, Oodle failed to provide her information about the affordability checks it had in place. I'm satisfied that this was business sensitive and commercial information, and therefore would not expect it to be included in any response.

So I won't be asking Oodle to provide this information to Miss K.

Responses

Oodle confirmed it had already paid £300 to Mr P for distress and inconvenience, and said it understood that I was asking them to pay a further £450.

Miss K said that she and Mr P were extremely dissatisfied with my provisional decision.

She made a number of points. She said that Oodle failed to treat Mr P fairly and with forbearance; Oodle made 15–20 direct contacts despite formal vulnerability notices and representative authorities, triggering mental health crises and suicidal episodes; Oodle failed

to make reasonable adjustments after being informed of Mr P's disability and vulnerability; Oodle referred the matter to a third party debt collection agent despite knowing repossession without a court order was unlawful. She also said that Oodle had shared personal data unnecessarily with the agent and failed to provide full DSAR disclosure.

She highlighted that a recorded telephone conversation between the agent and her had not been provided.

She said that in my provisional decision I had downplayed the scale of contact Oodle had with Mr P.

She said I had failed to address our investigator's incorrect statement that the debt had been sold.

She quoted a number of ombudsman's decisions regarding disclosure of information under DSAR, and decisions where higher awards for distress and inconvenience had been made. She said my approach departed from those cases and this required explanation.

Miss K said that she and Mr P were concerned that my provisional decision had failed to consider the full extent of harm and procedural failings she'd originally set out. She said my decision had overlooked:

- the devastating mental health impact on Mr P;
- medical records confirming ongoing mental health struggles and episodes of suicidal ideation;
- the under-appreciation of the severity of these impacts; and
- the omission of affordability concerns which were relevant to the overall fairness assessment.

She said these suggested that I had not fully understood or addressed the central issues raised. She asked that I reconsider my findings in light of the regulatory breaches and precedents she had cited, and reconsider the award for distress and inconvenience.

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.

As Oodle haven't said anything to the contrary, I'm taking their comments to mean they don't object to my provisional decision.

I've carefully considered Miss K's thorough response to my provisional decision. I hope that she won't take it as a discourtesy that I've condensed her response in the way that I have.

Ours is an informal dispute resolution service, and in responding to the issues she's raised I've concentrated on what I consider to be the crux of this complaint. Our rules allow me to do that. Miss K should note, however, that although I may not address each individual point that she's raised, I have given careful consideration to all of her submissions before arriving at my decision.

I explained in my provisional decision why I was satisfied that Oodle had treated Mr P with forbearance and due consideration. That's because they'd agreed payment plans, before and after the agreement had been terminated, and these had failed. They'd given him

reasonable time and opportunity to repay the debt in a sustainable way, and it was now reasonable to conclude the agreement had been breached.

I also explained why I felt it reasonable that Oodle had employed the services of a third party collection agent. But I also pointed out that Mr P had not consented to the recovery of the car so Oodle required a court order if they wanted to take the car from him.

I'd like to reassure Mr P and Miss K that I have never intentionally downplayed the impact Oodle's actions had on Mr P. I'm sorry to hear about the difficulties Mr P has faced. Miss K has eloquently described the impact on Mr P, and I've considered her observations in making my decision.

I explained why I was satisfied that Oodle were aware of Mr P's mental health issues from July 2023. But it wasn't until January 2025 that it was agreed that Miss K would be the primary contact. In the period before then, Oodle had continued to show forbearance, agreeing payment plans, and pausing collection actions. There was frequent contact with Mr P and with Miss K in that time. I haven't see anything that shows that Oodle acted unfairly in that time, or ignored agreed contact arrangements.

But I do consider that they communicated directly with Mr P after January 2025, after agreeing not to, and when they were fully aware of the impact on him. I think an award of £750 reflects the considerable distress these direct contacts caused to Mr P. I think that award is fair as it reflects the seriousness of the error, and the relatively short time period in which the breaches occurred.

Miss K has referred to other decisions where different monetary awards have been made. I explained in my decision that my award wouldn't be impacted by other awards, as each case is considered on its own merits. I've based my award on our approach – this is explained on our website.

I know this will be disappointing to Mr P, and Miss K, but for the reasons I've given above, Miss K's comments don't change my view, and I see no reason why I shouldn't now adopt my provisional view as my final decision.

Miss K said that she has not been provided with a recording of a call she had with the third party agent. That is something she'll need to take up with that firm directly.

I haven't considered whether or not the original agreement was affordable as that was not part of this complaint. If Mr P wants to make that complaint, he'll need to raise that with Oodle before this service can consider it.

Putting things right

Distress & Inconvenience

Oodle should pay Mr P £750 in compensation to reflect the distress and inconvenience they caused to him. I understand Oodle has already paid £300 to Mr P for the distress caused. If that is the case, then they should pay him a further £450.

My final decision

For the reasons explained, I uphold Mr P's complaint about Oodle Financial Services Limited and they are to follow my directions above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or

reject my decision before 24 October 2025.

Gordon Ramsay
Ombudsman