

## The complaint

Miss W has complained that Startline Motor Finance Limited (Startline) unfairly provided her with credit for a vehicle.

## What happened

In November 2021, Miss W entered into a finance agreement with Startline for the purchase of a car as shown below.

Date	Amount of credit	Term	Monthly payment	Total repayable
November 2021	£18,560	47 months	£414.55	£28,493

In January 2025, Miss W complained to Startline. In the complaint, Miss W said she didn't think Startline had lent to her responsibly. She felt it had failed to undertake reasonable checks at the time of the lending to ensure the agreement was affordable. She's said had it done so it would have seen she had previously defaulted on other agreements and had other lending. So, she's said had Startline completed the appropriate checks it would have found the lending was unsuitable for her.

Startline looked into Miss W's complaint and issued a final response letter explaining it believed it had acted fairly when completing its checks. It said it had confirmed the agreement was affordable by verifying Miss W's income, making a reasonable allowance for essential expenditure, and checking the information the credit reference agencies held. Startline has said based on the information it found, it believes its decision to lend was fair.

Miss W didn't accept Startline's response, so she referred her complaint to our service. One of our investigators looked into it, and based on the evidence available, our investigator said he didn't think Startline's decision to lend was unfair.

Miss W didn't accept what our investigator said and asked for a final decision on the case. As no agreement could be reached, 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.

Having done so, I've reached the same outcome as the investigator for broadly the same reasons.

I'm sorry to hear Miss W has found maintaining the agreement stressful. Whilst I sympathise with this, my main focus here will be whether Startline did enough at the time of the lending to establish whether she could sustainably afford the agreement.

To do this, I think there are key questions I need to consider in order to decide what is fair and reasonable in this case:

- Did Startline carry out reasonable and proportionate checks to satisfy itself that Miss W was able to sustainably repay the credit?
- If not, what would reasonable and proportionate checks have shown at the time?
- Did Startline make a fair lending decision?
- Did Startline act unfairly or unreasonably towards Miss W in some other way?

Startline had to carry out reasonable and proportionate checks to satisfy itself that Miss W would be able to repay the credit sustainably. It needed to assess the likelihood of Miss W being able to repay the credit, as well as considering the impact of the repayments on her.

There is no set list of checks that it had to do, but it could take into account several different things such as the amount and length of the credit, the amount of the monthly repayments, the cost of the credit and the customers circumstances.

Startline has explained that it carried out a credit search to get an understanding of Miss W's situation before it decided to lend. It's said it found two defaults that had occurred three or more years prior to the application. Whilst Startline took note of these, given how long ago they had occurred, it didn't think these accurately reflected Miss W's current situation, and I don't think this is unreasonable. The credit search also showed that Miss W had three other lines of credit including credit cards and a communication agreement. All of these were being managed well, and none had limits or amounts to be repaid of more than £200. So, I don't see that there is any evidence that Miss W was over indebted or struggling financially at the time of the lending.

Startline says Miss W told it she was earning £35,000 a year and it was able to successfully verify this. It also says it applied estimates for Miss W's regular living expenses using Office for National Statistics data. This is an approach it's allowed to take under the relevant lending rules. And usually, I would be satisfied that this was a proportionate check. But in this case given Startline hasn't provided a copy of the results of this check, I can't be satisfied it relied on the correct data and therefore completed a proportionate check of Miss W's expenditure.

So, to establish what reasonable checks would likely have shown I've considered Miss W's bank statements. For the avoidance of doubt, I'm not making a finding here that Startline needed to see Miss W's statements in order to complete its own income and expenditure assessment. Rather I think it needed to establish or make a reasonable estimate of Miss W's regular essential expenditure. That said in the absence of any other evidence, I think it's reasonable to rely on bank statements to establish what Startline would likely have found.

Miss W was able to provide us with her bank statements for the months before the lending. Having considered these I can see the account remained in a reasonable credit balance and there were no returned payments or anything else to suggest that Miss W was unable to manage her finances. There was a reasonable level of discretionary spending on the account, and her income broadly matched that declared by Miss W and then verified by Startline.

Miss W declared that she was living with her parents at the time and didn't have any dependents. There doesn't appear to be any regular payments for rent, utilities, or board, but I can see Miss W's repayment to her existing credit which was being managed well. The account doesn't show any signs of financial difficulty, and it looks like Miss W was able to save reasonable amounts during this period. I can't see from the evidence available that she was dependent on credit or that Miss W was in any ongoing financial difficulties.

As I've already said I don't think Startline needed to see Miss W's statements, but it needed to understand her expenditure. However, I can see from the statements, that even after taking into account Miss W's essential costs and expenditure on other debt, Miss W would have been left with enough disposable income a month to afford the new agreement and the other associated costs of running a car. So, I think had Startline understood Miss W's expenditure and overall circumstances, it wouldn't have found that she was in financial difficulties or that the lending was unaffordable. So, based on the information now available, I'm not satisfied the decision to approve the lending was unreasonable.

I can see that Miss W had some difficulties maintaining the agreement after her circumstances changed. It appears there have been some late payments, but I can see Miss W engaged with Startline about these and they offered support and advice on payment breaks and agreed payment plans during these calls. So, I haven't seen anything to suggest Startline treated Miss W unfairly throughout the life of the agreement either. I appreciate Miss W has concerns about making the final payments to the agreement and I would encourage her to discuss this with Startline. I would also remind Startline of its obligation to treat customers fairly in times of financial difficulty.

I've also considered whether the relationship might have been unfair under s.140A of the Consumer Credit Act 1974. But overall, it's not clear enough to me that Startline created unfairness in its relationship with Miss W by lending to her irresponsibly, or in the way it handled the account under the credit agreement. And 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'm very sorry to disappoint Miss W, but for the reasons set out, I don't find that Miss W's relationship with Startline was unfair, and I can't conclude Startline treated her unfairly in any other way based on what I've seen.

### **My final decision**

My final decision is that I don't uphold this complaint.

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

Charlotte Roberts  
**Ombudsman**