

The complaint

Mrs L complains that Blue Motor Finance Ltd ('Blue Motor') irresponsibly gave her a Hire Purchase agreement that she couldn't afford.

What happened

On 31 March 2022, Mrs L applied for a hire purchase with Blue Motor. The hire purchase was for £11,495 and the monthly repayment was £324.10 over 48 months.

In 2025, Mrs L complained to Blue Motor to say that the account shouldn't have been opened for her because it wasn't affordable and that Blue Motor ought to have made a better effort to understand her financial circumstances before giving her credit.

Our investigator recommended the complaint should not be upheld. Mrs L disagreed and 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.

I've read and considered the whole file, but I'll confine my comments to what I think is relevant. If I don't comment on any specific point, it's not because I've failed to consider it but because I don't think I need to comment on it in order to reach what I think is the right outcome in the wider context. My remit is to take an overview and decide what's fair "in the round".

Blue Motor will be familiar with all the rules, regulations and good industry practice we consider when looking at a complaint concerning unaffordable and irresponsible lending. So, I don't consider it necessary to set all of this out in this decision. Information about our approach to these complaints is set out on our website.

Mrs L's complaint is that Blue Motor made credit available that was unaffordable. Blue Motor has explained that it relied in part on information that Mrs L provided at the time of application and checked with a credit reference agency to assess affordability. Blue Motor said the application data was a starting point for its decision making. Blue Motor said they carried out credit searches in Mrs L's name to assess Mrs L's level of debt at the time of the lending decision and to understand how she had been managing that debt. With that information and using their own scoring metric, Blue Motor decided to agree to the hire purchase in 2022.

It's possible that Blue Motor could have made more searching enquiries before issuing their decision to lend. But would more searching enquiries have put them off providing credit to Mrs L?

I have looked at all of the submissions made by both parties in this case. And that includes the credit information and banking records provided by Mrs L. Having done so, I

think I have seen insufficient evidence to think that Mrs L was already in financial difficulty at the time of the lending decision. I say that because neither Mrs L's bank statements nor her credit report suggest that her recent management of credit or her management of her bank accounts was so poor as to lead them to avoid further lending. For the most part Mrs L's credit report was in good shape. There were some instances of late payments on two credit card accounts still open at the time of the hire purchase. But those accounts had been clean in the six months before the lending decision was made. And Mrs L's bank accounts often showed a positive balance through the months before the lending.

I'm not suggesting that these things were being achieved without some effort – the accounts show a busy history of transfers between accounts. But, on balance, the information about Mrs L's existing financial circumstances suggests that, at that time, Mrs L was managing her finances. And had Blue Motor performed more searching enquiries at the time they made their lending decision, it seems to me there was insufficient evidence that would have made Blue Motor think they should avoid providing Mrs L with any further credit or make even more searching enquiries before doing so.

I know that Mrs L will be disappointed with my decision, as she has put time and energy into her complaint and has been a strong advocate for it. But I want Mrs L to know that I considered all the submissions made to us in this complaint. Having considered all the submissions in this case, I have not found sufficient evidence to uphold this complaint.

My final decision

For the reasons set out, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs L to accept or reject my decision before 11 February 2026.

Douglas Sayers
Ombudsman