

The complaint

Mr M, through his representative, complains that Oodle Financial Services Limited trading as Oodle Car Finance lent to him irresponsibly by approving for him a vehicle finance agreement which he could not afford to repay.

What happened

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In May 2021 Mr M wanted to buy a car. I've used rounded figures in the decision. Through Oodle he agreed to take finance of £8,183 to take the car. The interest to pay was £3,887 plus a document fee of £50 and an option to purchase fee of £50. The total to repay was £12,170. The repayments were scheduled to be £251 for the first one followed by 58 at just over £201 a month and the final repayment was £251.

After Mr M had complained in September 2024, he received Oodle's response which confirmed that it did not uphold his complaint and that in October 2024 Mr M still owed £3,872. I don't have any more recent figures. Mr M has said that he became unemployed during the course of the agreement which led to difficulties.

After the complaint was referred to the Financial Ombudsman one of our investigators considered it and thought that Oodle ought not to have approved the finance for him. Oodle disagreed and the unresolved complaint was passed to me to decide.

On 20 October 2025 I issued a provisional decision giving reasons why I planned not to uphold the complaint. Neither party has responded and as the reply date has been made clear to both parties then what follows is my final decision in the same terms as the provisional decision as I have no reason to alter that.

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 Mr M's complaint. Oodle 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 Mr M 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 am not being asked, or expected, to stand in the shoes of the Oodle assessors when the agreement was approved and act as a lender: I am resolving a complaint about whether the approach taken by Oodle was reasonable and proportionate at the time it was taken.

When he applied for the credit Mr M informed Oodle that he was divorced, employed full time and earning over £27,000 a year before tax.

Oodle carried out two credit searches. Mr M had a County Court Judgment (CCJ) registered against him in December 2019. It had been for around £2,715. His outstanding total credit balances were £4,035 and his total monthly repayments were £76. On looking more closely it seems that £2,715 of that outstanding debt included the CCJ total. The other credit accounts he had included two current accounts (no overdraft and no issues), four credit cards with a total outstanding debt of £1,838 on a total credit limit of £2,550. There were no repayment issues. At 3% expected minimum repayment then the monthly cost of all those cards likely was around £55. He had a couple of utility accounts and a loan costing him only £6 a month. So, I consider that for Oodle to use his committed credit costs as around £76 a month was about right.

I've not seen that Oodle checked his income figure but that would have been verified easily in a number of ways. I appreciate that this was not necessarily an absolute requirement within the FCA regulations surrounding responsible lending, but I consider it prudent and is something that Moneybarn would usually do using information provided by a credit reference agency. Oodle could have also checked this by asking Mr M to provide some document to prove this salary figure. I've used the information supplied by Mr M's representative to look to see what his regular salary after tax was in the months leading up to May 2021. This was between £1,560 and £1,590 after tax. So, if Oodle had asked Mr M to verify it this is the answer it would have received.

Armed with the clear details on Mr M's income plus the credit report then in my view it was borderline as to whether Oodle needed to carry out further checks to establish Mr M's non-discretionary expenditure. A CCJ from sixteen months before could be viewed as being historic. And the other defaulted accounts were from 2017 and May 2020 and had been settled. However, on balance, I think that reviewing the actual outgoings Mr M had to pay out each month would have been proportionate considering that the agreement was scheduled to be for 5 years and he had had a default as recently as May 2020 as well as the CCJ.

I only consider it fair and reasonable for Oodle to have double checked on Mr M's immovable costs to which Mr M was committed. I don't consider it fair or reasonable that a full financial review looking into every aspect of his financial position was undertaken when Mr M was applying for a car finance of this sort of cost. I think that intricate analysis of every last bit of actual payments out of a person's account is not what would be expected.

I know that our investigator did do a detailed look into the bank transactions and even our investigator's view was that Mr M had just under £100 a month left over after paying for everything (including food) and the car finance.

Use of bank account statements can be convenient but there were other ways Oodle might have chosen to proceed – such as speaking to him on the telephone or asking for copies of his rent agreement and the council tax and bills he had to pay. And I think that this needs to be borne in mind when considering a complaint of this nature where Mr M was purchasing an asset – a car – that would have been of use to him either for work or for his general lifestyle. And its likely Mr M was replacing a car as he'd just sold one. Placing the loan in context is an important element of the assessment in my view.

Those open banking records supplied from Mr M's representative indicate that Mr M had already been running a car as the bank account transactions provided by his representative show that he sold it to an on-line car purchasing company for £542 in May 2021. Plus, I can see from the detailed transaction lists he'd been paying around £21 a month for the DVLA car tax and around £38 for insurance. From this Mr M would have been familiar and fully

aware of the costs of running a car including, fuel, insurance, DVLA tax and servicing. So, I don't consider that these sums needed to have been assessed by our investigator or Oodle. Pretty much similar costs would have been part of Mr M's costs going forward. I don't include food as this is such a variable cost.

The open banking report is useful as it shows very regular monthly sums to demonstrate Mr M's costs for rent and bills. These were £495 a month for rent plus around £100 a month for utilities.

In the circumstances, with his committed credit costs (around £76 a month), I think that Mr M would have had enough to pay for the car and run it (about £900 left after rent and utilities and credit commitment costs). And in addition, he'd have enough to pay for other items usually associated with running a household such as broadband, council tax, telecoms and other things. And then still have enough for the car finance, car costs and food.

I've seen that Mr M did actually pay more towards his credit cards than minimum repayments but that was a matter for Mr M. Oodle had done the right thing checking to see what his credit commitments were and it's that minimum monthly figure I consider fair and reasonable for a lender to use.

Mr M's representative has made a submission that Mr M had been gambling. Mr M played the postcode lottery at £10 a month and occasionally placed bets. So, the amounts were very low and I don't consider this to have been evidence of compulsive spending to the extent suggested by his representative. I do not uphold the complaint.

I've also considered whether Oodle acted unfairly or unreasonably in any other way and I have considered 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 Mr M or otherwise treated him 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 Mr M to accept or reject my decision before 1 December 2025.

Rachael Williams
Ombudsman