

The complaint

Ms U complains about a hire purchase agreement with Blue Motor Finance Limited under which a car was supplied to her and her late partner. She's being helped with her complaint by a representative.

What happened

A used car was supplied to Ms U and her partner under a hire purchase agreement with Blue Motor Finance that they signed in June 2022. The price of the car was £18,499, a deposit of £400 was paid and Ms U and her partner agreed to make 60 monthly payments of £490.18 and a final payment of £640.18 to Blue Motor Finance.

Ms U's partner passed away in August 2024 and Ms U's representative complained to Blue Motor Finance about the hire purchase agreement in March 2025. It said that Blue Motor Finance failed in its responsibilities to ensure that Ms U understood what was being entered into and that no credit check was carried out on Ms U's ability to pay should her partner not be able to pay.

Blue Motor Finance rejected the complaint as it said that sufficient affordability checks were completed and there were several warning signs throughout the application process to ensure customers do not sign the agreement without fully understanding all of the financials. The complaint was then referred to this service.

The complaint was looked at by one of this service's investigators who, having considered everything, didn't recommend that it should be upheld. She couldn't say that the checks carried out by Blue Motor Finance were reasonable and proportionate, so she looked at bank statements that Ms U had provided. She calculated from those statements that Ms U would have had a disposable income of £176.38 after deducting her share of the monthly payments for the car, which would make the agreement, or Ms U's responsibility for it, affordable. She also thought that Blue Motor Finance had done enough for Ms U to be able to understand the hire purchase agreement.

Ms U hasn't accepted the investigator's recommendation and her representative says that she'd like an ombudsman to review her complaint. It says that, if Blue Motor had performed checks that were reasonable and proportionate to have satisfied itself that the repayments would be affordable and sustainable, it should have provided the result of those checks but hasn't done so, and the onus shouldn't be on Ms U to prove that it didn't carry out checks that were reasonable and proportionate. It has provided Ms U's partner's payslips for the period from April to June 2022, which it says show that he earned on average less than £3,000 each month which, when added to Ms U's income, is significantly below the £85,000 submitted by him as part of the application, and had Blue Motor Finance carried out reasonable and proportionate checks, that would have been apparent.

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.

Ms U and her partner applied to Blue Motor Finance in June 2022 for finance to pay for a car to be supplied to them. It says that they told it that they had a joint annual income of £85,000 and that it used a credit reference agency to check creditworthiness and it applied an affordability score and its policy rules, and the finance proposal was accepted in accordance with its credit policy.

Blue Motor Finance was required to make reasonable and proportionate checks to ensure that any credit that it was going to provide to Ms U and her partner was sustainably affordable for them before entering into the hire purchase agreement. The price of the car was £18,499 and Ms U and her partner were committing to monthly payments of £490.18 for five years, so I consider that it would have been reasonable and proportionate for Blue Motor Finance to have obtained evidence from them showing the income that they'd told it about and to have conducted an affordability assessment based on their income and expenditure.

Blue Motor Finance hasn't provided any evidence to show that it verified the income that they'd told it about or evidence of its affordability assessment. As it hasn't provided that evidence, I don't consider that it has shown that the checks that it made were reasonable and proportionate in the circumstances. I therefore have to consider what reasonable and proportionate checks would have shown to see whether the hire purchase agreement was likely to have been sustainably affordable for them.

Ms U has provided copies of her bank statements for the period from February to June 2022, which are the months before the hire purchase agreement was entered into. I don't consider that reasonable and proportionate checks would have required Blue Motor Finance to have obtained copies of bank statements from Ms U and her partner, but the statements that Ms U has provided are a good source of information about her income and expenditure.

The investigator calculated from those statements that Ms U had an average monthly income of £1,698.94 and an average monthly expenditure of £1,277.47, including a cash contribution of £350 for rental costs. She said that after paying half of the monthly payment under the hire purchase agreement, so £245.09, Ms U would have been left with a disposable income of £176.38.

Ms U and her representative haven't been able to provide bank statements for Ms U's partner but, in response to the investigator's recommendation, copies of Ms U's partner's payslips for the period from April to June 2022 have been provided. They show that Ms U's partner's average monthly income was £2,857, and adding that to Ms U's average monthly income of £1,698.94 would give them a joint average monthly income of £4,555.94. I consider that that's likely to be less than a joint annual income of £85,000, but not by enough to materially impact the affordability of the hire purchase agreement for them.

I consider that, if Blue Motor Finance had made reasonable and proportionate checks, it's more likely than not that it would have concluded that a hire purchase agreement with a monthly payment of £490.18 for five years was sustainably affordable for them at the time that they entered into it.

Ms U's representative said in the complaint that was made to Blue Motor Finance that it had failed in its responsibilities to ensure that Ms U understood what was being entered into. The hire purchase agreement was entered into by Ms U and her partner and, although English is not Ms U's first language, I consider that it would be reasonable to expect that her partner would be explaining the required information to her. Blue Motor Finance says that it provided pre-contract credit information and the hire purchase agreement to Ms U and her partner. I can see that they both signed the hire purchase agreement and returned it to Blue Motor

Finance. Ms U also provided it with a copy of her driving licence. I'm not persuaded that it would be reasonable to expect Blue Motor Finance to have done more in these circumstances to ensure that Ms U understood what she was entering into.

I've also considered whether Blue Motor Finance acted unfairly or unreasonably in some other way, including whether its relationship with Ms U might have been unfair under section 140A of the Consumer Credit Act 1974. Having done so, I've not seen anything that makes me think that that was likely to have been the case.

I've carefully considered all that Ms U and her representative have said and provided about this complaint and I appreciate that my decision will be disappointing for Ms U. I find that it wouldn't be fair or reasonable in these circumstances for me to require Blue Motor Finance to take any action in response to Ms U's complaint. Ms U says that the circumstances that she's described have left her with a debt that she's unable to pay. If she hasn't already done so, I suggest that she contacts Blue Motor Finance and explains to it her financial difficulties. It's required to respond to any such difficulties positively and sympathetically.

My final decision

My decision is that I don't uphold Ms U's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms U to accept or reject my decision before 4 December 2025.

Jarrold Hastings
Ombudsman