

The complaint

Mrs P, through her representative, complains that Oodle Financial Services Limited trading as Oodle Car Finance approved a finance agreement for a vehicle which she could not afford to repay.

What happened

In January 2020 Mrs P wanted to buy a vehicle and used Oodle to provide the finance for it. Mrs P paid a deposit of £2,000 leaving the capital sum to be financed as £8,995. The cash price of the vehicle was £10,995. The total to repay was £14,468 (rounded figure). The first repayment included a £50 document fee and was just over £256. The following 58 monthly repayments were scheduled as just over £206 each. The last one was to be just over £256 as it included an option to purchase fee of £50.

The instalments were regularly paid without issue and the agreement was paid off in April 2024. As Mrs P already had a car finance agreement with another lender which settled in January 2020 then it's highly likely that the deposit originates from a part-exchange of that vehicle.

After Mrs P had complained, Oodle responded with its final response letter in December 2024 giving reasons why it considered it had lent responsibly. Mr P's complaint was reviewed by one of our investigators who considered the same. Mrs P disagreed. The main issue raised was that the application was by Mrs P alone but the investigator had used bank account statements provided which were for a joint account. So, Mrs P's representative did not consider that the assessment by our investigator was full or fair. However – it had sent to us third party statements as well which had to be deleted due to data protection issues. So that evidence was discarded. Therefore, when it came to my desk I looked at the complaint afresh.

The unresolved complaint was passed to me to decide. On 4 November 2025 I asked Mrs P's representative to send me more information if it wished. I did not receive anything more. On 28 November 2025 I issued a provisional decision. The outcome was the same as that reached by our investigator but I reached my conclusion based on different evidence. So, it seemed fair and reasonable to allow Mrs P the opportunity to respond. That provisional decision is duplicated here for ease of reading.

What I provisionally decided on 28 November 2025 – 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 Mrs P'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 Mrs P before providing it.

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 have reverted to the specific wording and detail in the FCA Consumer Credit Sourcebook (CONC) Chapter 5 on responsible lending to assist me in relation to Mrs P's complaint. I do not set out the FCA wording here as Mrs P's representative likely is familiar with that CONC chapter and I refer them to it for the detail.

When considering whether creditworthiness assessments were reasonable which is what the FCA require it to be, there are a number of considerations to guide Oodle that the checks were proportionate: CONC 5.2A.20R. It was not expected that there was a full financial review of every aspect of Mrs P's circumstances for each application.

Proportionality can be seen as doing reasonable checks within the full context of the loan application, what it was for and other details. I can't improve on some of the wording in the guide paragraph CONC 5.2A.21: *Certain factors may point towards a more rigorous assessment and others towards a less rigorous one in which case the firm should weigh up the factors before deciding what type of creditworthiness assessment is required.*

Mrs P informed Oodle that she was employed full time and earned around £21,250 a year. She was married and had lived at her home for over 25 years.

Oodle carried out a credit search a copy of which has been sent to me. It revealed that Mrs P had two defaulted accounts – one from May 2017 and one from November 2019. Mrs P had a mail order account with a small balance which was in a debt management plan (DMP). As Mrs P's application was in January 2020 then I consider that November 2019 to have been very recent and therefore relevant.

Mrs P had an existing hire purchase (HP) agreement costing her £184 a month which looked to be drawing to an end. I've cross referenced that account by using her personal credit file and that car finance agreement was with a different lender and was settled January 2020. The price to change for the new car finance was £22 each month.

Mrs P had a secured loan of over £40,000 costing around £167 a month. Mrs P had several communications accounts. She had a current account and two credit cards: one had a balance of £431 on a credit limit of £500; the other was a balance of £3,236 on a credit limit of £3,500. None of these other accounts (apart from the defaulted ones and the DMP) had any repayment problems or adverse data recorded.

Oodle has sent us no other details but in its FRL it said:

'An affordability assessment was undertaken considering the declared annual gross income of £21,250.00, residential status, financial commitments obtained from your client's credit file, estimated car running cost and the cost-of-living expenses extracted from the Office of National Statistics data. The monthly repayment towards the agreement of £206.14 was below the maximum monthly amount that allowance Oodle considered to be an affordable and sustainable monthly repayment figure.'

With such a recent default (November 2019), a DMP and other commitments where there had been trouble paying, then I think that Oodle ought to have done more than rely on Mrs P's declaration of her income and then on ONS data for the general expenditure. The agreement was due to be for 60 months.

One way Oodle could have done this was to have asked Mrs P to send details of her payslips and other details surrounding her bills and other committed daily expenditure.

Having decided that there was lack of evidence from Oodle, our investigator had some information from Mrs P's representative. Joint bank account statements were sent to us. But as I have seen from Oodle's credit search results that there were two current accounts in her name, I am not satisfied that the joint account only provides the correct picture of Mrs P's

finances. This does show Mrs P's salary being credited and it ranged from £1,400 to £1,800 each month and it looks like Mrs P received a pension sum of £579 on 27 December 2019.

Mrs P's representative had sent in copies of bank account statements solely in the name of a third party, but as it was without any permission from this third party I am not satisfied that we can utilise that as evidence. Therefore, I have disregarded those statements. They have been deleted from our files.

Recently, I have written to Mrs P's representative for explanations. I've seen one of the Oodle account notes where Mrs P explains to Oodle that all the bills were paid out of another account. She wanted her Direct Debit details altered to come from that other account. And I've seen from the copy statements I have, multiple transfers in and out of the joint account Mrs P held, and that there were at least four other account references, three of which may have been Mrs P's. So, I am aware that Mrs P obtains funds from somewhere else.

Recently I asked Mrs P's representatives for explanations and/or copies of those other bank account statements (if they belong to Mrs P) for the relevant period to be sent to me. But I've received nothing.

On current evidence I don't have enough to demonstrate that Mrs P was unable to afford the car at the time of sale. The price to change was £22. The new monthly cost was not a large sum. She'd had a car and clearly needed another car as she was working full time. In fact, the evidence we have now is that Mrs P paid without issue and kept the car having successfully repaid a HP agreement just before taking this one.

The joint account I have shows Mrs P's salary crediting each month plus a pension payment, and it shows none of the usual signs associated with financial difficulties as outlined by FCA. So, on current evidence I consider that Mrs P could afford the car on her salary. Alternatively, she had financial assistance from another person paying for the car (evidenced by the Oodle account note) and Mrs P was receiving other funds evidenced by the money coming into the account I have seen. I plan not to uphold the complaint.

This is the end of the duplicated provisional decision. The reply date was 12 December 2025.

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.

Oodle has not responded to the provisional decision but considering the outcome that is not unusual.

Mrs P's representative responded on 28 November 2025 asking what other evidence we thought we needed. I'd already asked for more evidence and had received nothing before the provisional decision was issued. However, I replied immediately to say that it was a matter for Mrs P to make her case. But to assist I listed three other bank account statement numbers picked up from the evidence I had been sent by Mrs P. Nothing has been received.

In light of the lack of any additional evidence then I have no reason to alter my findings in my provisional decision, duplicated earlier in this decision, and repeated here. For the same reasons I do not uphold the complaint.

I've also considered whether Oodle acted unfairly or unreasonably in any other way and 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 Mrs P or otherwise treated her 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 Mrs P to accept or reject my decision before 9 January 2026.

Rachael Williams
Ombudsman