

The complaint

X is unhappy that Oodle Financial Services Limited (Oodle) reported a default to their credit file despite having kept up with payments. X is also unhappy with the service they received when speaking to advisers on the phone.

What happened

X took receipt of a car in January 2020 and financed the deal through a hire purchase agreement with Oodle. X had some difficulties making repayments and by March 2022 when Oodle contacted X the account was three months in arrears and a payment arrangement had been broken. Oodle eventually defaulted and terminated the account in June 2024.

X complained to Oodle and said they'd previously been told their account couldn't be found and they had assumed they had nothing to pay on it. X also complained about the service received from advisers on the phone.

Oodle didn't uphold X's complaint, so X referred it to this service. Initially Oodle objected to this service considering the complaint as they said it had been referred to us too late. Our investigator disagreed and as Oodle didn't respond before the deadline she had set, she went on to consider the merits of the complaint. She thought Oodle should have terminated the account and reported the default earlier in May 2024.

Oodle didn't agree. They said they had tried various forms of communication but hadn't been able to get in touch with X and repossessing the car would have been difficult without a confirmed customer contact.

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 agree with the investigator's view of this complaint and for broadly the same reasons. I'll explain why.

Where the information I've got is incomplete, unclear, or contradictory, as some of it is here, I have to base my decision on the balance of probabilities.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point, it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

X acquired their car under a hire purchase agreement. This is a regulated consumer credit agreement and as a result our service is able to look into complaints about it.

I'm not persuaded I have sufficient evidence to support X's assertion they were told the account was settled. Having listened to the calls they had with Oodle it seems clear to me X would have known a debt remained.

Oodle has reiterated its objection that this complaint was referred too late for us to consider. However, this issue was addressed earlier in the year when our investigator set a clear deadline of 26 September 2025 for Oodle to respond or raise any jurisdictional concerns. Oodle failed to do so. Consequently, the investigator proceeded to assess the merits of the case, and I confirm that will not be revisiting the jurisdiction issue.

The Information Commissioner's Office (ICO) says when a consumer is at least three months behind with payments then a default may be registered. And they'd expect a default to be registered by the time the consumer is six months behind with payments.

By March 2022 it would have been apparent to Oodle that X was unlikely to be able to sustain payments against the agreement. They were already three months in arrears, and a payment arrangement had failed. They made efforts to get in touch with X to avoid a default but by April 2022 when they hadn't been able to get in touch, I think they should have sent a default notice. If they had, the account would have been terminated in May 2022 and not June 2024. I understand that Oodle's attempts to get in touch with X had failed but there was, and isn't, any evidence that X had changed address. The address listed on the finance agreement is the same as that on the June 2024 termination notice and the same as the address we have for X. While arrangements to take back possession of the car would have been complicated by difficulties being able to reach X on the phone, I don't think that was a reason not to default the account promptly. I think Oodle should therefore arrange to backdate the default they have reported to X's credit file to May 2022.

I've considered X's view that Oodle didn't treat her fairly on the calls she had with them. Having reviewed the calls provided I think the agent's X spoke to were polite and helpful and I haven't been able to find evidence to support X's concerns.

My final decision

For the reasons I've given above, I uphold this complaint in part and tell Oodle Financial Services Limited to backdate the default they have reported to May 2022.

Under the rules of the Financial Ombudsman Service, I'm required to ask X to accept or reject my decision before 18 December 2025.

Phillip McMahon
Ombudsman