

The complaint

Mr and Mrs D have complained that Go Car Credit Limited (Go Car) unfairly provided them with credit for a vehicle.

What happened

In December 2018, Mr and Mrs D entered into a finance agreement with Go Car for the purchase of a car as shown below. Mr D was made redundant in February 2020 and so Go Car agreed a payment plan to help with repayments. Mr and Mrs D settled the agreement in October 2021.

Date	Amount of credit	Term	Monthly payment	Total repayable
December 2018	£5,394.00	36 months	£262.49	£9,649.50

In July 2024, Mr and Mrs D complained to Go Car with the help of a professional representative. In the complaint, Mr and Mrs D said they didn't think Go Car had lent responsibly to them. They felt it had failed to undertake a reasonable assessment of their creditworthiness at the time of the lending. They've said had Go Car completed the appropriate checks it would have found the lending was unsuitable for them and that this led to an unfair relationship.

Go Car looked into Mr and Mrs D's complaint and issued a final response letter explaining it believed it had acted fairly when completing its checks. It said it had confirmed the agreement was affordable by verifying Mr and Mrs D's income, asking about their expenditure, and checking the information the credit reference agencies held. Go Car has said based on the information it found, it believes its decision to lend was fair.

Mr and Mrs D didn't accept Go Car's response, so they referred their complaint to our service with the help of their representative. One of our investigators looked into it, and based on the evidence available, our investigator said she didn't think Go Car's decision to lend was unfair.

Mr and Mrs D's representatives didn't accept what our investigator said and asked for a final decision on the case. As no agreement could be reached, 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.

Having done so, I've reached the same outcome as the investigator for broadly the same reasons.

I think there are key questions I need to consider in order to decide what is fair and reasonable in this case:

- Did Go Car carry out reasonable and proportionate checks to satisfy itself that Mr and Mrs D was able to sustainably repay the credit?
- If not, what would reasonable and proportionate checks have shown at the time?
- Did Go Car make a fair lending decision?
- Did Go Car act unfairly or unreasonably towards Mr and Mrs D in some other way?

Go Car had to carry out reasonable and proportionate checks to satisfy itself that Mr and Mrs D would be able to repay the credit sustainably. It needed to assess the likelihood of Mr and Mrs D being able to repay the credit, as well as considering the impact of the repayments on them.

There is no set list of checks that it had to do, but it could take into account several different things such as the amount and length of the credit, the amount of the monthly repayments, the cost of the credit and the customers circumstances.

Go Car has explained that it carried out a credit search to get an understanding of Mr and Mrs D's situation before it decided to lend. It's provided a copy of the credit search it undertook, and this shows that Mr and Mrs D were up to date on all of their accounts but had two active County Court Judgements (CCJ) with a total value of £818. It also showed that they had a number of defaults recorded between 2009 and 2013. As these all took place more than five years before its lending decision, Go Car considered these to be historic and not an accurate reflection of Mr and Mrs D's current circumstances. It did however recognise the CCJ's could indicate some issues and so it went on to verify Mr and Mrs D's income and expenditure using payslips, bank statements, and by asking them about their expenditure which I think is reasonable.

Mr D's pay slips show that he'd had an increase in basic pay from October 2018 to November 2018, however Go Car used an average of his pay for those two months rather than relying on the higher figure which is reasonable. It also took into consideration the benefits being received. Mr and Mrs D's representatives argued that these benefits shouldn't have been taken into account. Whilst they may be labelled as benefits or tax credits relating to children, the government does not specify how these benefits should be spent. Once the payment has been made it's for the recipient to decide how that money is best spent. So, I don't think it would be reasonable for me to determine these funds can't be considered when calculating affordability to repay finance for a vehicle.

Having completed an income and expenditure for Mr and Mrs D, Go Car found that they had around £700 a month in disposable income. Which is sufficient for them to be able to repay the car finance and still be left with a reasonable sum of money each month. Mr and Mrs D's representatives have argued that there were lots of transfers in and out of the account Go Car had statements for and that there were also gambling transactions. They've said this indicates that Mr and Mrs D were struggling financially and that Go Car should have known from this that it wasn't fair to lend to them.

I've considered these points, but I don't agree this was the case. Whilst transfers are made in and out of the account, I don't think this means Go Car's checks weren't proportionate or that it shouldn't have lent to Mr and Mrs D. I say this because many families transfer funds from one account to another and from what I can see the account maintained a credit balance. Although there were some returned direct debits, this doesn't appear to be because there were insufficient funds in the account. So, I don't think there are signs of financial distress here, such that Go Car should have done more checks or refused to lend.

I've also considered the gambling transactions and completed a more detailed income and expenditure for the two full months Go Car had statements for. I accept there were some gambling transactions on the account and there were a number of transactions to a company I'll refer to as C. However, even taking these transactions into account, alongside other committed expenditure on the statements, the expenditure Mr and Mrs D declared to Go Car and the actual income received each month, the account showed a reasonably healthy disposable income of around the same amount Go Car had calculated if not more.

Mr and Mrs D's representatives have said Go Car should have reviewed all statements for Mr and Mrs D's accounts, and not just their joint account, but I don't agree. The statements provided show that funds are being spent recreationally but within Mr and Mrs D's means. The statements also show the income declared and payments to credit and utilities. So, I'm not persuaded Go Car were required to do more to establish creditworthiness in this case.

Based on what I've seen, I'm persuaded the checks Go Car completed were reasonable and proportionate to the amount and type of credit it went on to approve. And I'm satisfied the decision to approve the lending was reasonable based on the information Go Car obtained about Mr and Mrs D's circumstances.

I can see that they maintained the agreement well until Mr D was made redundant in 2020. At this point Go Car accepted a payment plan to support Mr and Mrs D in repaying the sum outstanding under the agreement which is in line with what I would expect to see.

I've also considered whether the relationship might have been unfair under s.140A of the Consumer Credit Act 1974. But overall, it's not clear enough to me that Go Car created unfairness in its relationship with Mr and Mrs D by lending to them irresponsibly, or in the way it handled the account under the credit agreement. And I haven't seen anything to suggest that s.140A or anything else would, given the facts of this complaint, lead to a different outcome here. I'm very sorry to disappoint Mr and Mrs D, but for the reasons set out, I don't find that Mr and Mrs D's relationship with Go Car was unfair, and I can't conclude Go Car treated them unfairly in any other way based on what I've seen.

My final decision

My final decision is that I don't uphold this complaint.

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

Charlotte Roberts
Ombudsman