

The complaint

Mr B complains that a car he acquired through a hire purchase agreement with Oodle Financial Services Limited (Oodle) wasn't fit for purpose. He would like Oodle to allow him to reject the car.

What happened

Mr B took out a hire purchase agreement in July 2024 for a used car. The car was just over four years old with around 20,976 miles on the clock when he got it.

He told Oodle that on 16 September 2024 the car had broken down on a motorway and had to be recovered at his own cost. He says he sent a report from a local garage on 25 October 2024 stating the car required a new engine.

Oodle said it arranged an independent inspection of the car on 27 March 2025 which found Mr B liable as he had breached his warranty by having the engine stripped. As a result Oodle didn't uphold Mr B's complaint.

What I've provisionally decided – and why

I issued a provisional decision in which I concluded:-

- I was conscious Mr B took out an agreement for a used car, as such he could reasonably have expected more wear, tear and repair issues than for example with a new car. However, we do expect vehicles to be fit for purpose at the point of sale.
- When issues arise within six months of the point of sale, we usually say it's the business responsibility to investigate, and if appropriate, resolve. When issues arise after six months it's the owner's responsibility to prove a point-of-sale issue for which the business is responsible.
- In this case the car broke down just a couple of months after Mr B got it, so the onus was on Oodle to investigate if there was a point of sale issue or not.
- There was no dispute that either the car engine had failed – a report from a local garage and the independent report commissioned by Oodle both supported this. Neither was there any dispute that Mr B had the engine stripped before the independent inspection had been arranged.
- The independent report noted a loss of clamping force between the cylinder head and the engine block, most often caused by cylinder head bolts stretching - typically as a result of prolonged engine operation at elevated temperatures.
- I thought this was the point that Oodle interpreted as Mr B driving the car 'to destruction'. However, I couldn't be sure that was the case as the comment in the report was a suggestion not a fact. The car couldn't be properly inspected due to the engine having been stripped and car parts being exposed to the elements. Whilst I thought Mr B's actions here weren't helpful I also thought the time Oodle took to

arrange an independent inspection didn't help either

- I was also mindful that the inspector's conclusion was that Mr B was liable for any repairs due to breaching his warranty by allowing the engine to be stripped down, the inspector didn't state that Mr B's driving style caused the breakdown so I couldn't be sure it had
- In addition, the car was only 4 years old, didn't have excessive mileage when Mr B got it and Mr B hadn't incurred excessive mileage whilst he had it. And, the car broke down just two months into Mr B's agreement. Mr B maintained the car as the only issue that caused failure of the MOT was a faulty window screen washer. None of this indicated to me a reckless driver.
- On balance I was persuaded it was more likely than not that there was an issue developing at the point of sale for which Oodle was responsible. As I understood it, it wasn't economic to attempt to repair the car so I thought Mr B should be allowed to reject it.
- I then went on to consider what happened after the breakdown to assess what, if any, other redress was appropriate.
- I didn't think it was reasonable that Oodle refund the tow away charge Mr B paid since Mr B had breakdown cover he could have used. I understood he didn't have the details with him when the car broke down, that was unfortunate but it wasn't something Oodle could be held responsible for.
- I thought that Oodle's customer service could have been better. It was clear from the customer notes that Mr B had to keep chasing Oodle who only spoke to him directly some months after the car broke down.
- However, I had to balance that with the fact Mr B took some time to advise the car engine had been stripped down. He also told us for a period of time he stopped contacting the dealership as a result of legal advice he received. He didn't share this advice with us and I was not sure why he would have been so advised. However, I thought this would have impacted on Oodle's handling of the complaint given it was liaising with the dealership over the car.
- As I thought there was fault on both sides here, I didn't think a payment for poor customer service, as our investigators recommended was appropriate.
- Similarly I thought there is fault on both sides that contributed to the limitations of the independent inspection due to the time taken to arrange it, the fact the engine had been stripped and parts eroded.
- The information provided by Mr B and Oodle was contradictory in relation to what happened to the car after it broke down. I saw an email from the dealership in late October 2024 which said it advised Mr B to take his car to a garage that dealt with his make of car. However, looking at the dealership customer notes I couldn't see Mr B was advised to do this on the day the breakdown. I listened to a call on that day and to a subsequent one 2 days later. Neither specified Mr B needed to take his car to a particular garage. I couldn't see why Mr B wouldn't have done this had he been told to do so. So, I was not persuaded that he had been so advised.
- In terms of letting the local garage strip the engine the contact notes with Oodle stated Mr B agreed to the engine being stripped as he was unsure how to proceed.
- I thought Mr B should have known he needed authorisation for the engine to be stripped. However, none of the contact notes I saw, or the calls I listened to, made this point to Mr B. I would have thought this would have been an important point to make Mr B aware of.

- I was more inclined to believe allowing the engine to be stripped was ignorance on Mr B's part if the local garage he used told him it needed to do this in order to find out what was wrong.
- Whilst I agreed that Mr B shouldn't have allowed the engine to be stripped and this impacted on what was possible in the independent inspection I had no evidence he was advised not to do this.
- It wasn't ideal that Mr B kept stripped engine parts exposed to the elements. However it was also not ideal that it took Oodle until March 2025 to organise an independent inspection when the car broke down in September 2024. All the more so given the breakdown occurred two months into Mr B's agreement so it was Oodle's responsibility to investigate.
- Had the independent inspection been carried out more speedily the stripped engine parts would have been less eroded and easier to inspect. I thought both Mr B and Oodle contributed to the fact a full independent investigation of the car couldn't be carried out.
- For those reasons I didn't think it was reasonable to refund any of Mr B's payments. Clearly there was a period of time when he didn't have use of the car. However had he not had the engine stripped and parts left exposed the matter may have been resolved much sooner. Also, it may have been possible to repair the car and to do so quickly.
- In summary despite Mr B having the engine stripped when he shouldn't have done so I thought, based on the age of the car, mileage at the point of sale, mileage driven, an MOT that didn't support reckless driving, no actual evidence Mr B contributed or caused the engine fault and the fact the fault occurred just two months into Mr B's agreement it was fair that Mr B was allowed to reject the car.
- However, I didn't feel that any other redress was appropriate as I thought Mr B contributed to delays in resolving the issue and to the limitations of the independent inspection.

My provisional decision was that I thought that Mr B's complaint should be upheld and that Oodle should:-

- Take back Mr B's car at no cost to Mr B.
- End Mr B's agreement and remove details of it from his credit file.

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 came back to us after I issued my provisional view and pointed out that Mr B's financed agreement included a sum of £3100 carried over from a previous agreement and it wanted to know how we would address this.

I apologised to both Oodle and Mr B that I hadn't addressed this in my provisional decision, neither party had raised it and so I wasn't aware of this issue.

We wrote to Mr B to ask for his comments about this explaining that in my view, unless Oodle decided to write this off as a gesture of goodwill which it was not obliged to do, he would be liable for this sum and we asked for his comments.

We also wrote to Oodle asking if it would consider writing this sum off or not – it clarified that it wouldn't and put forward some other points for me to consider as it was still of the view that the failure of the car was down to Mr B.

Mr B didn't reply to my provisional decision nor to our email asking for comments on the negative equity point despite us giving him an extended timescale to do so.

Despite the lack of response from Mr B I think it's only fair to Oodle that I now go ahead and issue my final decision as I believe Mr B has had sufficient time to come back to us.

I have considered carefully the points that Oodle has made.

Oodle queried why the garage would have stripped the engine as it would have known that would render the warranty as void. It thought it likely Mr B asked the garage to strip the engine down and was hiding something. Unfortunately we have no evidence to prove that.

Oodle felt as the car was fairly new, warning lights would have shown and had these been heeded the car could, and should have been, repaired under warranty. It also noted the MOT I referred to in my provisional decision was done prior to Mr B having the car. If that is so I apologise for my error here.

I accept we have no evidence of warning light issues. And if I discount the weight I put upon the MOT I am still of the view that a relatively new car with limited mileage both at the point of sale and as a result of Mr B's use shouldn't have failed so early into the agreement. So I still think it's reasonable for Mr B to be allowed to reject the car.

However I am also still of the view that Mr B significantly contributed to the fact the car couldn't properly be inspected by his delay in advising of the engine strip down and at some point no longer corresponding with Oodle. This meant a possible opportunity to repair the car was lost.

My provisional decision allowed no additional redress other than rejection of the car to reflect this since I felt any inconvenience and loss were, to a degree, down to Mr B's own actions. I am still of that view.

I accept Oodle's point about the negative equity transferred onto Mr B's finance agreement. I think it's only fair to Oodle that Mr B repays this since the sum relates to an outstanding sum from a previous finance agreement for a different car carried over to his current finance agreement. As my decision relates to issues with his current car not the previous one he had it wouldn't be reasonable to expect Oodle to write this sum off.

My final decision

My final decision is that I uphold this complaint.

In full and final settlement Oodle Financial Services Limited trading as Oodle Finance should :-

- Take back the car at no cost to Mr B.
- Advise Mr B of the £3,100 owing on his agreement.
- When Mr B has paid off the outstanding amount on his account remove all reference to it from Mr B's credit file.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 17 December 2025.

Bridget Makins
Ombudsman