

The complaint

Mr B complains that Oodle Financial Services Limited refused to terminate his hire purchase agreement at no cost to him when the car he had acquired was written off.

What happened

On 1 September 2024 Mr B acquired a second-hand car from a garage. This cost £16,941 and was funded by a hire purchase agreement with Oodle. The car was in a road traffic accident the following day and was, in effect, written off. The car was recovered and in due course was sold. Mr B says that he was given a complimentary five-day drive away insurance policy by the dealer. However, he discovered the car wasn't insured.

Oodle told Mr B that the agreement he signed required him to ensure the car was insured. This meant Mr B was responsible for the balance of the hire purchase agreement and Oodle sought £13,474.82 from him. Mr B also complained that he had received a parking fine relating to an offence in January 2025. Oodle said it had provided Mr B with the relevant information to let DVLA know of the change of ownership since he was the registered keeper.

Oodle rejected Mr B's complaint and so he brought the matter to this service where it was considered by one of our investigators who didn't recommend it be upheld. She said there was no evidence that the dealer had provided insurance and as Mr B had failed to make payments on the agreement Oodle was entitled to terminate it. She also believed it acted correctly in regards to the fine.

Mr B didn't agree and said he and his wife recalled being told the car came with a five-day complimentary insurance cover and all the paperwork had been completed before leaving the dealership. He also said that the police informed him when they called the dealer it had told them that all the cars came with five-day complimentary insurance cover. He said the police had been unable to provide written confirmation.

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.

When the evidence is incomplete, inconclusive or contradictory as some of it is here – I've reached my outcome on the balance of probabilities – that is, what I consider likely to have happened given the available evidence and the wider circumstances.

I want to acknowledge that I've summarised the events of the complaint. I don't intend any discourtesy by this – it just reflects the informal nature of our service. I also want to assure Mr B that I've reviewed everything on file. If I don't comment on something, it's not because I haven't considered it. It's because I've concentrated on what I think are the key issues. Our powers allow me to do this.

Having reviewed all the material supplied to me I do not consider I can uphold this complaint.

I will explain why.

On the day Mr B acquired the car he says he was told he had five days free insurance cover. He signed an agreement under which he was obliged to ensure the car was covered. He would have been given the relevant paperwork connected to the sale including the HP agreement and the sales documentation. In this bundle there would have been an insurance cover note if five-day cover had been provided.

I appreciate the excitement of acquiring a new car may have caused him not to look at the paperwork, but it was his responsibility to ensure he had insurance cover. The dealer says that no such cover was provided. Mr B says it was and he says his wife also heard the salesman tell them that cover was provided. I cannot say who is telling the truth, but it was Mr B's responsibility to be satisfied that the car was insured. There was no such obligation on the dealer.

Ensuring a car you are driving is insured is important and it is reasonable to expect Mr B to have established the car was covered. Given the importance I do not think it reasonable to have simply relied on what he was allegedly told without checking the paperwork.

While I appreciate Mr B's recollection of the police comments there is no documentary evidence from the police regarding the crash or how it dealt with the issue of the lack of insurance. Mr B has provided a copy of a drive away insurance brochure offering five days cover for £34.99, but this does not indicate such cover was provide by the dealer. I have looked at the dealer's current website and can see no reference to complimentary drive away insurance.

In short, there is insufficient evidence to allow me to say that Mr B was misled by the dealer.

The terms of the HP agreement are such that Mr B is liable for the balance after the sum received after the sale of the car. That is unfortunate, but it is what he signed up for and I cannot say Oodle was wrong to pursue him for the debt.

Nor can I say it was wrong to report the outstanding debt on Mr B's credit file. It is obliged to report arrears accurately and this it has done. Prior to this it sent Mr B the required documentation terminating the agreement and it has followed eth correct processes.

As for the fine I can see that Oodle sent the evidence Mr B needed as the registered keeper to notify DVLA that the car had been sold. The onus was on him to do so and I cannot say that Oodle bear any responsibility for the fine being sent to Mr B.

I have every sympathy with Mr B who has found himself in a very unfortunate situation, but I cannot say that Oodle has done anything materially wrong.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 24 December 2025.

Ivor Graham
Ombudsman