

## The complaint

Mrs W complains Go Car Credit Limited (“Go Car”) gave her car finance when she couldn’t afford it.

## What happened

In July 2021, Go Car provided Mrs W with a hire purchase agreement for a used car. The vehicle had a cash price of £12,990, Mrs W put down a £3,000 deposit so £9,990 was financed. The agreement had interest, fees and charges of £9,990 and if Mrs W repaid the agreement in line with the credit agreement, she would’ve repaid a total of £22,990. This was to be repaid over 48 monthly instalments of £416.46. Mrs W has provided information showing she has now repaid the balance.

Go Car considered Mrs W’s complaint and didn’t uphold it. It concluded adequate checks were conducted which showed the agreement to be affordable.

Mrs W’s complaint was considered by an Investigator who upheld the complaint. Mrs W agreed with the proposed outcome, but Go Car didn’t agree.

As no agreement could be reached, the complaint has been passed to me, to decide. I then issued my provisional decision explaining the reasons why I was intending to not uphold Mrs W’s complaint.

Both parties were asked that any further submissions needed to have been received by 5 December 2025. Neither Mrs W nor Go Car responded to the provisional decision.

A copy of the provisional findings follows this and forms part of this final decision.

## What I said in my provisional decision:

*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 W’s complaint. Having carefully thought about everything I’ve been provided with; I’m not upholding Mrs W’s complaint. I’d like to explain why in a little more detail.*

*Go Car needed to make sure that it didn’t lend irresponsibly. In practice, what this means is that Go Car needed to carry out proportionate checks to be able to understand whether any lending was sustainable for Mrs W before providing it.*

*Our website sets out what we typically think about when deciding whether a lender’s checks were proportionate. 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 – suggested the lender needed to know more about a prospective borrower's ability to repay.*

*Mrs W declared she was self-employed. Go Car didn't just accept what Mrs W had told it but instead it obtained copy bank statements for three months preceding the agreement. Go Car used the bank statements to work out the total income received and divided it by three. It also says it took account of any business expenses it could see.*

*Having carried out this check, it believed Mrs W's income worked out at just under £2,900 per month. This was a proportionate check into Mrs W's income, I'm satisfied Go Car could rely on the information that it gathered from her statements.*

*I can then see that there were some questions asked of Mrs W about her monthly expenses – and I say this because the notes provided by Go Car show that her husband covered the food and the utilities. These costs came to just under £1,200 per month. To this it added a further buffer of £300 – to cover any unexpected costs Mrs W may have had. But even with the additional buffer the agreement still looked affordable.*

*And so, given the income that Go Car was able to ascertain then the agreement would've appeared affordable. Again, for a first agreement with Go Car the checks it made into Mrs W's outgoings were reasonable and proportionate.*

*I've also reviewed the bank statements, and given what Go Car says it has counted as income, I'm persuaded that was and is reasonable. There also wasn't anything else from the statements that would've indicated to Go Car that Mrs W was having, or likely having, financial difficulties.*

*Go Car also carried out a credit search and it's provided a copy of the results that it received from the credit reference agency, I've reviewed what it has provided to see what it was told about Mrs W's financial position at the time.*

*It also knew of an active County Court Judgment that had been granted in October 2017. Given that was almost four years before the start of this agreement I'm persuaded that Go Car wouldn't have been overly concerned with the CCJ – as it would've related to a historic debt.*

*Go Car was aware of a number of defaults, on her credit file at the time – with the most recent occurring around nine months before this agreement was entered into. I appreciate that Go Car says that it considered these to be historic but it did show that Mrs W had, in the not to distant past, had some repayment difficulties.*

*On her active accounts – there had been some arrears on two credit cards – these by and large had been brought up to date. When Mrs W was asked about these, she told Go Car that her income had been impacted by the COVID-19 pandemic and these arrears had been cleared and her payments had returned. This wasn't, and isn't, an unreasonable explanation as to why Mrs W's accounts were in arrears shortly before the agreement was given and so I do think, given what the credit file showed that Go Car was entitled to rely on what Mrs W had told it.*

*However, the Investigator, put considerable weight on an existing hire purchase agreement. This was costing Mrs W £300 per month – and at the point this agreement had been provided she was five months in arrears. Although, it's worth saying those arrears had built up over a longer period of time, indicating that the payments were being made sporadically rather than being missed every month.*

*I think it's fair to say, given the credit report information that Mrs W had experienced some recent difficulties. But I've had to think about that along with everything else that Go Car had access to as part of the affordability assessment, and for the reasons I've set out below I do think, it just about made a fair lending decision.*

*The Investigator said, that the arrears on the existing hire purchase meant he wasn't persuaded the agreement would be transferred to Mrs W's husband. He thought, on balance, the agreement would more than likely stay in Mrs W's sole name.*

*He also concluded there wasn't a need for Mrs W to have this vehicle. But, Mrs W must have felt there was a need as she was actively engaged and test driving vehicles before settling on the one that Go Car financed. And it isn't for Go Car to actively second guess why a further agreement was needed especially in a situation where questions were asked and further evidence in the form of bank statements was collected.*

*Go Car was obviously concerned enough about this because it asked Mrs W about these arrears. She explained that the agreement was "...going to her husband..." by that I have interpreted it would go into his name and secondly these arrears had been caused by payment holidays and additional help most likely caused by the COVID-19 pandemic.*

*Given Mrs W's self employment it is extremely likely her sector was impacted by the restrictions which were put in place by the government. This would've been a plausible explanation to Go Car and I don't think it needed to second guess what it was being told by Mrs W.*

*What's important to note here as well, is that Go Car factored the existing agreement into its affordability assessment, so even if Mrs W wasn't successful in transferring ownership of the car to her husband – this agreement still appeared affordable for Mrs W. If the situation was more complex, or Mrs W's finances weren't truly reflected in the information she provided, she had the chance to let Go Car know at this time.*

*Although Go Car wouldn't and couldn't have known this at the time, the credit report provided by Mrs W shows that the arrears continued to decrease over the coming months before the agreement was settled in September 2022. This does seem to support that her situation was improving.*

*I've also taken on board that Mrs W said she was struggling at the time, but as part of the application Go Car was aware of a £3,000 deposit and when questioned about it she told Go Car that the funds came from her savings. This would've given Go Car added confidence that Mrs W was in a position to afford the car and the payments. After all, the deposit was around seven months' worth of payments to Go Car. And would've been sufficient to clear the arrears on the other agreement – as Mrs W had told Go Car.*

*Overall, given Go Car reviewed the bank statements for the same account where the payments would be made from, there was a sizeable cash deposit, it made its own checks showed the agreement was affordable.*

*I am persuaded that the checks carried out by Go Car were proportionate and the further investigative work it undertook provided the necessary assurances that the agreement was affordable. As such, I can't say that it made an error by providing the finance.*

*It therefore follows, that I am intending to not uphold the complaint and I make no award against Go Car.*

### **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.

As neither party provided any further submissions or comments, I see no reason to depart from the findings that I made in the provisional decision and which are repeated above. I still think Go Car – had it made proportionate check would've still lent to Mrs W.

I therefore do not uphold the complaint.

Finally, I've also considered whether the relationship might have been unfair under s.140A of the Consumer Credit Act 1974. However, for the reasons I've already given, I don't think Go Car lent irresponsibly to Mrs W 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**

For the reasons I've explained, above and in the provisional decision, I'm not upholding Mrs W's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 8 January 2026.

Robert Walker  
**Ombudsman**