

## **The complaint**

Blue Motor Finance Ltd ('Blue Motor') provided Mr J with a hire purchase agreement for a used car. He says the finance was provided irresponsibly and he couldn't afford to repay it.

## **What happened**

In December 2024, Mr J was accepted for a hire purchase agreement from Blue Motor. The amount of credit was £16,619 and Mr J was required to make 60 monthly payments of £432.29. He paid a deposit of £299. The total amount repayable was £26,237.40.

In addition to the agreement being provided irresponsibly, Mr J says his credit score has been affected and he's unhappy about the level of APR he was given.

## **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.

We've set out our general approach to complaints about unaffordable or irresponsible lending on our website and I've taken this into account in deciding Mr J's case.

I've decided the credit was provided fairly because:

- I don't think the checks Blue Motor did before agreeing to lend to him were reasonable and proportionate. I say that given that he was taking on a significantly larger financial commitment than the finance agreement he'd previously had with another lender. So I think the checks ought to have been more than checking his income and credit file.
- If Blue Motor had done proportionate checks, I don't think it's likely these would have shown it was unfair to provide the agreement though.
- Based on the information Mr J provided about his circumstances at the time, including his bank statements, there wasn't enough to suggest Mr J was likely to be unable to sustainably repay what he was being lent. He would be finishing paying a previous finance agreement and it looked likely he'd have enough disposable income each month after paying for his monthly commitments. So, I think better checks were still likely to have shown the new agreement to be affordable.
- I don't think Blue Motor acted unfairly in any other way. Blue Motor was required to report missed payments to credit reference agencies and this was flagged in the agreement terms. Also, whilst I can't comment on the reasonableness or otherwise of individual APR rates, I've seen that the rate was clearly set out in Mr J's agreement and pre-contract documentation. It was open to Mr J not to go ahead with Blue Motor's finance option if he had concerns about the APR rate.

I'm sorry to hear of the difficult personal circumstances Mr J has been going through, and I do hope things are improving for him.

To summarise, I don't think Blue Motor acted unfairly when it provided the finance agreement to Mr J.

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 Blue Motor lent irresponsibly to Mr J or otherwise treated him unfairly. 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 know this isn't the outcome Mr J hoped for. But for the reasons above, I'm not asking Blue Motor to do anything more to put things right.

### **My final decision**

My final decision is that I'm not upholding this complaint about Blue Motor Finance Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 6 February 2026.

Michael Goldberg

**Ombudsman**