

The complaint

Mr R complains that a car he acquired via a hire purchase agreement with Oodle Financial Services Limited had been misrepresented to him.

What happened

In January 2022 Mr R acquired a used car via a five-year hire purchase agreement with Oodle. The car was around five years old and had a mileage of about 46,000. Mr R paid a £7,000 deposit towards the £13,495 cost of the car and had credit for the remaining £6,495.

In May 2025 Mr R approached another dealership with the view of using the car as a trade-in. This dealership declined to accept the car as it said it had been recorded as having a salvage history in or around July 2021. Mr R says he was unaware of this and had he been told about the car's past he wouldn't have purchased it. Mr R complained to Oodle.

Oodle upheld Mr R's complaint. It agreed that the true history of the car had negatively impacted on its value. It offered Mr R £1,650 being the difference between the value of the car if sold at auction without its history (£3,450) and the value if sold at auction with its history (£1,800).

Mr R disagreed with the value placed on the car and the offer made by Oodle and complained to this service. Mr R said the car had been misrepresented to him and it would be fair if he was reimbursed the difference between the price he had paid for the car in January 2022 and its actual value at that time which he thought would have been around £7,000.

Our investigator recommended Mr R's complaint should be upheld but didn't agree with the amount of reimbursement requested by Mr R. He said that Oodle had accepted the car had had a salvage history and that Mr R hadn't been aware of that at the point of supply which would have been a mistake. Our investigator said that the fair resolution would be for Oodle to pay Mr R the difference between the expected trade price for the car without a salvage history (which was £5,144) and the price he'd expect if sold via auction with its history (£1,800). Meaning there had been a loss to Mr R of £3,344. In addition, our investigator said Mr R should receive £200 compensation for the distress and inconvenience from having to deal with this matter.

Both Mr R and Oodle have disagreed with our investigator's approach. Mr R says it's unfair not to use the value of the car at the point of supply as it was never worth the price he'd paid. He said he has been caused stress over learning of the car's true history. He also says that he maintained the car and got it fixed over time as he needed to keep it good order for him to use so his being able to drive it shouldn't be taken into account.

Oodle said that it didn't agree the car had been misrepresented to Mr R as the dealer may not have been aware of the car's history. It says its offer was fair.

As the parties have been unable to reach an agreement the complaint has been passed to me.

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.

Mr R says the car was either misrepresented to him or the dealer didn't carry out adequate checks as to car's history. He says he reasonably relied on the dealer having made any necessary enquiries and so didn't carry out any himself. Oodle says that either the dealer was unaware of the car's true history because that wasn't available at the point of supply or, if they had failed to do adequate checks, then Mr R had also failed to carry out due diligence before taking the car and should therefore shoulder some of the responsibility.

I haven't seen any evidence about what was said by the dealer in January 2022 to Mr R about the car. Nor do I have enough evidence to be able to reasonably say the dealer would have been aware of the car's salvage history and that they deliberately concealed that. So, I can't reasonably make a finding of misrepresentation here, that is a false statement of fact was made or there had been a deliberate concealment of a crucial fact. However, it isn't disputed by Oodle that Mr R unknowingly acquired a car that had a salvage history meaning that its value was significantly different from what he would expect and that this history would impact on what Mr R would be able to do with the car subsequently such use it for a part exchange.

I also think it's reasonable to consider that had Mr R been aware about the car's history he wouldn't have purchased it, at least not at the advertised cost which would have been the expected price for a car in good condition.

So, I think it's fair to say that something went wrong here and that this has been to the detriment of Mr R. While I appreciate Oodle says perhaps Mr R should have carried out his own checks, I can't say, on the evidence I have seen, that even if he had, the car's history would have been revealed.

Since it's agreed that the car's true value is less than Mr R could have reasonably expected and it is he who has lost out then it is that impact I am going to consider. I think that approach is fair.

Mr R says I it would be fair to look at the cost of the car and its actual value at the point he acquired it when deciding redress, but while I appreciate this will disappoint him, I disagree. This is because although the car's real value was lower at its point of supply to him that didn't impact him at that time. I've seen Mr R was able to make good use of the car and I haven't seen any evidence that it had any faults or issues which would have been unexpected for a car of that age and mileage. No damage faults appear to have been picked up during any maintenance or MOTs carried out. And since Mr R was able to use the car as he wished then I think it's fair Oodle don't reimburse him the payments he made under the agreement. I think the fair solution is to seek to now put Mr R in the position he would have been in had the car not had the salvage history it was later found to have.

So, although the car was worth less than he had paid, I think the real impact on Mr R occurred when he tried to use it in part exchange. This is when that difference in value had a detrimental effect on him as it was at this point that he would have reasonably relied on the car holding a value of a vehicle with no salvage history. Oodle also appears to have taken this view and has used auction values when deciding compensation.

I don't think Oodle's approach has been fair. Mr R wouldn't have been expecting to sell the car only at an auction. I think it's reasonable to consider he would have expected to be able to trade it in. So, I agree with our investigator's view to work out what value Mr R could have

expected to receive if he had traded the car in and deduct from that the value he would receive if he sold it by auction with its history. I think, due to the car's history, that it's more likely than not that anyone buying the car now would expect to pay the auction price.

I've seen that Oodle consulted an auction house as to the likely auction value of the car. I'm satisfied that the price of £1,800 is a reasonably accurate estimate based on their expertise in this area. Our investigator used the systems available to our service as to the current trade price for a car of this make, model and age, again I am satisfied this is as accurate a value as can be reasonably obtained.

I am satisfied that it's fair and reasonable for Mr R to be compensated by Oodle for the difference between the trade price he could have reasonably expected and the auction sale price he is likely to obtain, that is £3,344. And as it has already deducted £1,650 from the finance on the agreement, then Oodle should now pay Mr R the difference of £1,694.

I also think that the issue with the car has caused Mr R distress and inconvenience, he hasn't been able to use it as he wanted in any part exchange. I think £200 compensation for this is fair and reasonable.

For the reasons given above, I'm upholding his complaint.

Putting things right

I'm asking Oodle to do the following:

- Pay Mr R £1,694 for the loss in value of the car.
- As Oodle has only paid Mr R part of the compensation due to him with its deduction of £1,650 from the finance agreement then I am asking it to add 8% simple yearly interest to the above amount from July 2025 (being the date of payment made by Oodle) to the date of settlement.
- Pay Mr R compensation in the amount of £200 for distress and inconvenience caused.

My final decision

As set out above, I'm upholding Mr R's complaint. I'm asking Oodle Financial Services Limited to do the following:

- Pay Mr R £1,694 for the loss in value of the car.
- As Oodle has only paid Mr R part of the compensation due to him with its deduction of £1,650 from the finance agreement then I am asking it to add 8% simple yearly interest to the above amount from July 2025 (being the date of payment made by Oodle) to the date of settlement.
- Pay Mr R compensation in the amount of £200 for distress and inconvenience caused

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 4 February 2026.

Jocelyn Griffith

Ombudsman